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# Latin America Report

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## LATIN AMERICA REPORT

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## SAO PAULO ENERGY USE DOWN, NATIONWIDE DECLINE REPORTED

## Energy Use Down 0.9 Percent

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 Aug 81 p 37

[Text] Rio de Janeiro--Energy use in Sao Paulo over the past 12 months (from May 1980 to June 1981) dropped by 0.9 percent in comparison with the same period in 1979-1980, indicating the start of the slowdown in the state's production activities, according to experts in the energy sector.

The data in question were taken from the June issue of the BOLETIM MENSAL, published by the Marketing Studies Department of ELETROBRAS [Brazilian Electric Power Companies, Inc]. According to the same experts, the publication shows that between May 1980 and June 1981, the increase in consumption of energy supplied by ELETROPAULO [Sao Paulo Power Plants], the Sao Paulo Power and Light Company (CPFL), and the Sao Paulo Electric Company (CESP) was 9.8 percent, compared to 10.2 percent during the same period of 1979-1980.

The trend in energy consumption in the state of Sao Paulo is also noted by the experts in terms of the following reasoning: a comparison of the months of June 1980 and June 1981 shows an increase of 3.8 percent in the latter month. The same comparison in terms of 1979-1980 shows an increase of 13.5 percent. To the experts, a study of those percentages leads to the conclusion that the rise in consumption in Sao Paulo in June 1981 actually dropped by 9.7 percent.

## Effects

The experts also claim that the effects of a slowdown in the economy are to be seen in the record presented in ELETROBRAS' monthly bulletin, which shows that the growth in energy use in June 1981, compared to June 1980, was only 1.7 percent in Brazil's Southeast. They say that the state of Sao Paulo, which has the country's largest industrial plant, has been the best barometer for gaging the region's difficulties when it is noted that less energy is being used each month. This is because energy is an essential input for the development of all production sectors.

The data from ELETROBRAS show the total use of electric energy, taking into account Sao Paulo's residential, commercial, and industrial sectors.

For the country as a whole, the bulletin estimates that energy use through June 1981 increased by 6.4 percent, compared to the same period last year.



1)	Junho — 1981 — Taxas de crescimento preliminares.			
2)	Empresas	3) Crescimento — Últimos 12 meses		
		80-79 (%)	81-80 (%)	previsão por 8 (%)
	Eletropaulo	8,5	4,9	4) 5,3
	CPFL	10,8	12,0	6,7
	Cesp	12,8	12,7	9,2
	Total:	32,1	29,6	21,2
5)	Média:	10,2	9,8	7,1
1)	Junho — 1981 — Taxas de crescimento preliminares			
2)	Empresas	6) Crescimento até o mês (janeiro-junho)		
		7) Verificado	8) preliminar	9) previsto
		80-79(%)	81-80(%)	81-81(%)
	Eletropaulo	7,9	3,4	5,4
	CPFL	11,5	13,5	11,3
	Cesp	14,3	8,6	10,5
	Total:	33,7	25,5	27,2
5)	Média:	11,2	8,5	9,1
1)	Junho — 1981 — Taxas de crescimento preliminares			
2)	Empresas	10) Crescimento do mês		
		80-79(%)	81-80(%)	
		7) VERIFICADO	8) PRELIMINAR	
	Eletropaulo	7,9	2,0	
	CPFL	14,0	7,8	
	Cesp	19,8	2,0	
	Total:	40,7	11,8	
5)	Média:	13,5	3,8	

Key:

1. June 1981: preliminary growth rates
2. Firm name
3. Growth--latest 12 months
4. Forecast for 81
5. Average
6. Year-to-date growth (January-June)
7. Verified
8. Preliminary
9. Forecast
10. Comparison of months

Nationwide June Figures

Rio de Janeiro JORNAL DO BRASIL in Portuguese 8 Aug 81 p 17

[Text] Electric energy use in June for all of Brazil was down in all regions in comparison with the same period last year, according to the BOLETIM MENSAL published by ELETROBRAS' Marketing Studies Department. The estimated increase for this year is 6.6 percent, compared to the 10.8 percent recorded in 1980. The North and Center-West regions showed positive growth in May, but dropped in June.

Brazilian consumption in the latest 12 months (June 1980 to June 1981) was up 7.8 percent, compared to the 12.1-percent difference recorded between June 1980 and June 1979. This means a drop of 35 percent. But the sharpest drop in consumption occurred in June of this year--the rise was 3.5 percent, compared to 11.1 percent in the same

period of 1979-1980. This means that nationwide energy consumption was down by 217 percent [as published].

#### Greatest Drop

The smaller percentages of increased consumption during June occurred chiefly in the Southeast (1.7 percent, compared to 10.3 percent for the same period of 1979-1980), the South (5.7 percent, compared to 12.7 percent), and the Center-West (20.2 percent, compared to 8.9 percent). In May of this year, however, the Center-West and the North showed positive increases. The Center-West increased its rate of increase from 10.4 percent (1980-1979) to 14.1 percent in the same period this year (May), while the rate of increase in the North rose from 9.6 percent to 13.4 percent.

The BOLETIM MENSAL also records the percentage of change in other energy sectors. Fuel oil and gasoline, for example, fell by 6 and 14.5 percent respectively in June, compared to the same period last year. There was an increase in the consumption of petroleum (9.9 percent), liquefied petroleum gas (4.1 percent), diesel oil (4 percent), and steam coal (21.4 percent).

11798

CSO: 3001/233

## JANUARY-JULY OIL PRODUCTION UP 12.4 PERCENT OVER 1980

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 Aug 81 p 36

[Text] PETROBRAS [Brazilian Petroleum Corporation] has announced that Brazilian petroleum production, including liquefied natural gas, totaled 45,548,260 barrels from January through July of this year, an increase of 12.4 percent over the same period last year, when 40,511,055 barrels were produced.

In July 1981, 219,262 barrels per day were extracted, representing a 9.6-percent increase over the same month last year. The daily average for the first 9 days of August stood at 229,030 barrels.

According to PETROBRAS, the continental shelf showed an increase of 20.7 percent, with production totaling 20,336,099 barrels (16,834,147 barrels in the first 7 months of last year). The chief contributors to that result were the offshore fields in Rio de Janeiro and Ceara, with production increases of 53.7 and 317.5 percent respectively.

The firm emphasizes that the onshore area has maintained its rate of increase since the start of this year, producing 25,222,161 barrels from January through July. That is an increase of 6.5 percent over the same period in 1980. The greatest onshore increase occurred in Espirito Santo (372.6 percent).

## Brazilian Production of Petroleum and LNG (in barrels)

## Key;

1. Onshore total
2. Bahia
3. Sergipe
4. Alagoas
5. Rio de Janeiro
6. Espirito Santo
7. Rio Grande do Norte
8. Ceara
9. Offshore total

	Jan-Jul/81	Jul/80	Jul/81	Jan-Jul/80
Terra 1)	3,401,241	3,682,602	23,676,906	25,232,161
BA 2)	2,284,984	2,108,164	16,330,401	15,048,372
SE 3)	887,340	1,039,597	8,053,896	6,671,547
AL 4)	105,807	77,327	686,223	601,751
RJ 5)	121,745	453,530	610,589	2,885,892
ES 6)	1,340	3,277	6,680	11,567
RN 7)	25	717	120	3,032
CE 8)	2,798,401	3,114,445	16,834,147	20,336,099
MA 9)	261,310	256,811	2,062,915	1,875,373
BA 2)	536,960	449,844	3,949,596	3,210,125
SE 3)	1,445,717	1,703,278	6,980,906	10,733,669
AL 4)	78,308	46,483	599,670	412,359
RJ 5)	329,554	410,850	2,908,579	2,657,253
ES 6)	146,552	247,378	344,492	1,438,320
RN 7)	6,199,642	6,797,047	40,511,055	45,548,260
CE 8)				
TOTAL				

11798

CSO: 3001/233

## BRIEFS

MORE GAS IN ALTO AMAZONAS--PETROBRAS [Brazilian Petroleum Corporation] has found more natural gas in Alto Amazonas, this time in the Jaraqui-2 (3-JI-2-AM) appraisal well in the municipality of Carauari, 750 kilometers from Manaus. The firm explains that during a test, the well produced 328,000 cubic meters between the depths of 2,164 and 2,635 meters. This is the fifth time that PETROBRAS has found gas in the Alto Amazonas onshore area during 5 years of drilling in that region, and this is the 11th well completed. Well 3-JI-A-AM, located 2.5 kilometers from the Jaraqui-1 (1-JI1-AM) exploration well, has reached a depth of 2,635 meters, and drilling will continue to 2,720 meters for an evaluation of the reserves. When that work is done, another appraisal well--Jaraqui-3 (3-JI3-AM)--will be drilled 2 kilometers west of Jaraqui-1 and 60 kilometers east-northeast of Carauari. The volume of gas already discovered in Alto Amazonas totals 3,936 million cubic meters, not counting the two latest discoveries, where reserves are still being evaluated. The other natural gas discoveries in Alto Amazonas occurred in the following wells: Jurua-1 (1-JR-1-AM), with a flow of from 212,400 to 386,257 cubic meters daily; in 1978, Southwest Jurua-1 (1-SQJ-1-AM), which tested at between 253,146 and 260,500 cubic meters daily; in 1980, Jaraqui-1 (1-JI-1-AM), with a flow of 400,000 cubic meters daily; and Igarape-Puca-1 (1-IP-1-AM), which tested at a volume of 320,000 cubic meters per day during the first half of this year. PETROBRAS said it is developing studies aimed at the commercial exploitation of gas from Alto Amazonas and meanwhile is drilling two wells (Sernambi-1 and Jaraqui-2) in that area, as well as another in Medio Amazonas (Apoquitaua-1). [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 Aug 81 p 36] 11798

CSO: 3001/233

## CARICOM TO RECEIVE CIDA TECHNICAL ASSISTANCE

FL271013 Bridgetown CANA in English 2353 GMT 26 Aug 81

[Text] Bridgetown, Barbados, 26 Aug (CANA)--The Caribbean Community (CARICOM) is to receive 8 million dollars U.S. in technical assistance from the Canadian International Development Agency (CIDA), it was announced here. Canada's high commissioner to Barbados and the Eastern Caribbean Allan Roger said in a radio interview that the money would cover a number of regional projects. He said these would include an industrial cooperation scheme, technical assistance in air and sea transport in the region as well as in manpower planning, training and disaster preparedness.

In the field of air transport, Mr Roger said that CIDA would be assisting CARICOM in organizing proper air fares for cargo and passenger traffic. The Canadian official said that the industrial cooperation scheme would cover the field of light industry development, training and investment promotion scheme.

Mr Roger said that over the last few years about 5 million dollars (BDS) in CIDA funds had been disbursed through the Barbados Mission to 10 Caribbean countries. He said there were as many as 100 projects in any one year. He said that in St Kitts for example, CIDA is assisting in a project on the utilization of excess bagasse for generating electrical energy.

"In the environmental field we have just started a project to do a major study on artificial reefs. This project is designed to show governments in the region how to make artificial reefs from old car bodies," he said. Mr Roger said that technical assistance to each Caribbean country has been increased, but could not say what is its worth in dollars and cents. The regional projects were discussed at the Canada-CARICOM Joint Trade and Economic Committee meeting held in Jamaica earlier this year, he said.

CSO: 3025/1026



## BRIEFS

BRITISH AID TO COUNTRY--St Johns, Antigua, 26 Aug (CANA)--The British Government has agreed to provide Antigua and Barbuda with assistance to the tune of 10 million pounds sterling, under its capital aid program, after the two islands become independent on 1 November. The aid package was announced following talks Antiguan Premiere Vere Bird and members of his cabinet had with the British high commissioner to the Eastern Caribbean, Stanley Arthur, and the head of the British Development Division in the Caribbean, Ken Woolverton. The communique said that 5 million pounds sterling would represent a grant, the balance being an interest-free loan with a 7-year grace period and 25 years for repayment. It noted that there was no deadline for spending the entire package. The communique also said that the British representatives gave a commitment to continue, indefinitely, a technical cooperation program, the cost of which would be additional to the capital aid program. The question of aid to Barbuda was discussed "within the context of the overall aid offer." [FL271837 Bridgetown CANA in English 2120 GMT 26 Aug 81]

CSO: 3025/1026

## SCHONFELD APPLAUDS FOREIGN MINISTRY POLICY ON MALVINAS

Buenos Aires LA PRENSA in Spanish 29 Jul 81 p 16

[Article by Manfred Schonfeld]

[Text] According to information released by our Foreign Ministry, the Argentine position is finally acquiring a certain amount of firmness as regards negotiations with Great Britain on the subject of the Malvinas Islands. It was time that this happened, although per se it does not entail the certainty that the negotiations will, therefore, advance more rapidly and with more effective results, from the Argentine standpoint, which has been maintained over the 15-year period these negotiations have lasted.

In any event, a more forceful tone was needed and within the rules of the game which prevail in diplomatic matters, this is the first step preceding more forceful action, in case the tone in itself is not enough. For the moment, that remains to be seen.

We have been advocating such a hardening of the Argentine position for a long time. More precisely from the moment we noted the constructive attitude adopted by Argentina in this matter; i.e., the attitude of demonstrating by means of an entire series of practical and tangible acts that the business of "taking into account the interests of the local populace" of the archipelago was something that successive Argentine governments were treating quite seriously, had absolutely not been reciprocated by London, that is, by successive British governments.

These British governments, far from offering in exchange for said real concessions even the slightest gesture of reciprocity, have continued firmly and stubbornly attached to their initial position (contrary moreover to the letter and the spirit of the UN resolution which constituted the basis for all negotiations that started in 1965), in the sense that any change in "status" as regards the sovereignty of the Malvinas would depend upon "the wishes" of the inhabitants.

Yesterday's Statement by the Foreign Minister

Yesterday, Foreign Minister Camilion, in statements to the press, supplemented the text of the report issued the day before, and made it known that what was expressed in the note sent to the British Government should not take the latter by surprise, as it dealt with a decision made some time ago.

We have reason to question this, for, had it been that way, there would have been no reason at all for such an obviously more forceful tone on the part of our Foreign Minister not to have manifested itself earlier. What precise reasons motivated our government at this time to adopt such a tone is not within our province. Thus, even the effort to silence critical voices on the home front (for example, in the so-called "hard-line" sector of the armed forces), does not bother us, provided, of course, the change in attitude--because there is a change even though it is only on account of the publicity which suddenly is being given to the question, surrounded previously by a sterile and counter-productive secrecy--does not end there: that is to say, provided this is not merely a move to impress the above-mentioned sectors of the home front or to distract attention from our less forceful positions in other questions which also belong in the foreign policy sector; e.g., the southern conflict.

However, if the note sent to the British Government--we are in agreement with its basic tone--were to be the prelude to a policy which per se were more forceful and more vigorous in all matters relating to the defense of Argentine interests in all matters relating to the defense of Argentine interests in the southern Atlantic and the southern region in general, then the note is welcome, without criticism for its authors for having changed course, no matter what the immediate motivation may have been.

As often happens, internal pressures force a government to improve its foreign policy. In such cases, it is not necessary to present excuses nor to maintain that it was always its intention to follow such a policy. What is important is that it follow the policy. As regards the Malvinas, we hope that this is the case and that it will not all come to nothing more than a note with a forceful tone but will produce the results which are expected from that note and the capacity for the action which can be sensed behind it.

#### . The People of Malvinas and the British Government

Unfortunately, successive Argentine governments--but in a manner increasingly "officialized" meaning those of the "process"--have permitted the local population of Malvinas to play an increasingly important role in the negotiations. Theoretically, such negotiations should be conducted solely between Buenos Aires and London, naturally without this signifying that the voice of the people of Malvinas--a subject directly affected by the negotiations--is not going to be heard or taken into account. However, as time went by and to the degree implementation of the package of concessions made by our country drew near (concessions thanks to which the tiny population of the archipelago could for the first time in its history enter a stage of integration with the rest of the world and be brought into the lifestyle of the second half of this century), the people of the Malvinas often were members of British negotiating delegations without beforehand--and under the heading of elementary "quid pro quo," granted to such matters by London--the British Government's even tacitly having abandoned its already mentioned position on self-determination for the small island community.

What is more, although, as we have said, we are basically in agreement with its content the recent note from our Foreign Ministry places too much emphasis on the fact that during the period of the negotiations, the British Government has not done enough to accustom the people of the Malvinas to the idea of their future integration with the rest of our country. Although that is the truth, something more important should

have been added: not only did the British fail to tell the people of Malvinas about their future integration--to which they had tacitly agreed in exchange for the above-mentioned Argentine concessions--they did nothing, basically they did nothing to change their own way of thinking--which in that sector and from the Argentine principal point of view is of more importance than the way of thinking of the people of Malvinas--as regards this matter.

However, it is obvious that saying this would have been the equivalent of acknowledging that in the more than 15 years of negotiations successive Argentine governments permitted London to take them for fools. And no one admits this with pleasure.

#### Inauspicious Years

In any event, the years were not too auspicious--in view of the Argentine internal situation--to propagate from London or Buenos Aires the idea among the people of Malvinas that they would be happier under Argentine rule than as British subjects. However, it is not a question of this but rather of a process of review and reversion of an act of usurpation which took place between two modern states established in accordance with the law of nations and who, moreover, were mutually recognized and maintained normal relations.

The protection of the interests of the people of Malvinas is a matter of undeniable importance and is, moreover, more than guaranteed; of this the Argentines have been giving sufficient proof. However, what is involved is the undoing of a historical wrong doing, integrating territorial sovereignty and guaranteeing the rights of that sovereignty in an area which, for various reasons, some individuals who are totally unfamiliar with the ancient disagreement is taking on increasing importance for Argentina.

8143

CSO: 3010/1659

## AGRICULTURE UNDERSECRETARY SAYS PRODUCERS NOT BENEFITED

Buenos Aires LA PRENSA in Spanish 24 Jun 81 p 13

[Text] The undersecretary of agriculture, engineer Victor Hugo Santirso, stated that the new measures adopted by the national government in the foreign exchange sector "will not benefit the producer." He stressed that they will increase the cost of supplies for the sector.

During a meeting with journalists, this official said that Minister of Agriculture and Livestock Jorge Ruben Aguado has presented the economic team with a series of measures which, although he declined to give details about them, are designed to correct the negative effects which may have occurred.

Santirso also spoke of the recent trip made to the Soviet Union, to which country, he said, 72 percent of Argentine grain was sold between January and May of this year, thus making Argentina the leading grain supplier, even surpassing the United States.

In this connection he said that prior to the grain embargo, the United States supplied 74 percent of the total grain imports, Canada 12 percent, and Argentina 6 percent.

Later, this situation reversed, with Argentina playing the leading role with 32 percent, while the United States percentage dropped to 24 and Canada supplied 18 percent.

Santirso voiced great optimism about the possibility that the USSR will increase its purchases, and he said that a Soviet mission will visit this country in the month of October, during which "we will talk about the possibility of increasing the minimum export quotas established in the agreement with that country" and including wheat among the categories agreed upon.

In any case, he gave assurance that the Soviets are awaiting the development of their harvests in order to establish the volume to be imported, although "we believe that the USSR will be in the market again within the next few weeks." He then recalled that this country purchases 20 to 40 million tons of grain annually.

## Appeal to Producers

In view of the opportunity this major purchaser offers, he urged producers to increase their harvest volumes, and he expressed the belief that if a total of 36 million tons can be harvested during the present season, a volume of which approximately 60 percent can be exported will be available.



As to Argentina's position as a supplier of general products to the USSR, he said that it ranks second among the developing countries at present.

In conclusion, engineer Santirso said that a trend toward the expansion of the areas planted for the prime harvest can be observed. He mentioned the example of Bahia Blanca, where a return of about 20 percent is expected.

Concerning grain shipments, he said that they are running at an average of 3 million tons per month, and he said that some 5 million tons of the bulk harvest still remains to be marketed.

5157

CSO: 3010/1516

## 'LA NACION' COMMENTS ON SOVIET DIPLOMATIC APPROACH

Buenos Aires LA NACION in Spanish 2 Aug 81 p 8

[Text] The Soviet pretension of dictating norms to the Latin American republics must be considered an insult. That is what has just happened with respect to the decision such sovereign states must make as regards joining the multinational peace-keeping force provided by the Camp David Agreement.

Analyzing statements made by the Egyptian foreign minister during his recent tour of the countries in this region, including our own, PRAVDA, the official organ of the Communist Party of the Soviet Union published a commentary which expressed a warning that subsumed a threat. By stating emphatically the risks that sovereign states will incur if they agree to cooperate with the United States [that country] demonstrates its intention of placing itself on a level of insulting paternalism. When it speaks of "docile alignment" with the policy of the United States, which is imposed on the region, it is important to relate such remarks to the behavior of nations in the Communist orbit, which conduct themselves in foreign policy matters like true satellites. Such a thing does not happen in Latin America where the diversity of opinions and present independence, which characterize their decisions, are not subject to question.

As for Argentina, public debate and exhaustive examination of the subject in the official sector make the Soviet "advice" redundant, both as regards the basis of the position and the inadequacy of its form and expression. The Soviet Union is not part of the Sinai question and its various attitudes, public or private, frank or intimated, reflect its interest in there being no peace in the Middle East. Keep in mind that the Camp David Agreements, whose implementation has caused no conflicts between the signatories and the country acting as guarantor, would remove the largest Arab country from any connection with any possible change involving armed conflict. Consequently, the Soviet Union is openly placing itself in the front opposed to peace and the resolution of differences through dialogue.

What is more, as regards Argentina must particularly, there is no avoiding the way Moscow handled the request of the Argentine ambassador to obtain authorization to travel to the site where the Russians say the collision took place which claimed the lives of three Argentines when the airplane in which they were flying crashed. It was only after much insistence and an interval of 13 days that permission was granted, effective 3 days later. Although the two events have no apparent connection, both in their respective sectors bear witness to improper treatment on the part of the USSR toward our countries, which wrongs us with its intolerable paternalism.

To remain silent in the face of the two situations without protest would be the equivalent of falling into so-called satellitism.

It is enough to hope that our country's right to be respected will be preserved in the response which in time will be given to the request to join the multinational peace-keeping force, as well as in the comments on the delay which frustrated the travel objective of the Argentine ambassador of establishing the truth of what happened to the Argentine plane which crashed in Soviet territory. Moscow must learn to control its excesses when they affect the interests of other parties. The fact that a country does not accede to its wishes, that it will decide matters that fall within its exclusive domain does not mean subjection to the United States but rather the exercise of independent policy. This is something that Argentine public opinion wants the Kremlin to be aware of, through proper channels.

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CSO: 3010/1659

## MID VOICES PESSIMISM OVER ECONOMIC MEASURES

Buenos Aires LA PRENSA in Spanish 24 Jun 81 p 13

[Text] The national committee of the Integration and Development Movement (MID) has warned of the existence of a critical situation in the national economy, for which it holds the monetarist policy, the abandonment of which it urges, responsible.

"The success of the military process, which will be the success of the nation, depends on a change, not partially but totally, in an economic direction which has caused the most serious disturbances," said the document signed by Arturo Frondizi and Rogelio Frigerio.

As an alternative, the MID proposes a complete revision of prices, tariffs, wages and exchange rates as a requirement for reestablishing the investment process. Simultaneously, it attacks the deficit in the public sector and a productive structure subordinate to the foreign factor and incapable of regenerating the goods and services required by the community.

## Rumors and Crisis

"In recent weeks the Argentine economy has been seriously upset. There have been rumors started by the eternal individuals who profit from crisis and those who desire to see government stability disturbed.

"The latter are not of course those who want to correct errors. They are those who fear that the exchange trends barely suggested both on the economic and political levels will develop, and they have taken preventive action.

"They are those who want to preserve their privileges, those who are getting rich by linking the Argentine economy with certain international schemes, and those who, in a way consistent with all of this, want an elitist policy, closed to the democratic participation of the people and each of the social sectors," the MID stated.

It admitted, however, that the rumors have a basis in a real critical picture.

"The inflation which has been repressed no longer can be and is erupting throughout the social fabric. The deficit of the public sector and the foreign sector is as blatant as it is dangerous, and the paralysis in the productive apparatus is now being reflected in increasing unemployment and in a generalized decline in the standard of living," the organization stressed.

## Some Figures

The MID document went on to comment that "it is because of the self-styled open economic policy that the foreign debt has quadrupled in 5 years, that public expenditure, excluding investments, increased by 30 percent between 1976 and 1980, while in the first quarter of this year, the real deficit, as a percentage of the product, was double that budgeted, and it is due to this that the product per capita is below that 6 years back, with certain prospects of an even further recession."

The document drafted by Frondizi and Frigerio admitted that the current economic administration has made an advance in purging the economy and in relaxing the turn of the monetarist screw, but it said that the measures were partial and inadequate and "do not in fact represent a change in the concept of the plan, and it is that rather than instrumental issues which has failed."

## Foreign Exchange Lag

According to the MID, the foreign exchange lag continues because the choice made was devaluation at substantially lower percentages than were needed, "since the increases in prices of goods and services have offset a substantial portion of the adjustments made."

## State Apparatus

The party document also referred to the "lack of decisions facing up to the basic question of establishing new dimensions for the state apparatus."

According to the MID, "it is childish to speak of cutting expenditures when the deficit of the public enterprises for last year came to \$8.2 billion, the equivalent of \$24 million a day, of which 70 percent was generated by only three enterprises--the government oil deposits, the Argentine Railroads and Water and Energy."

In this regard, the document commented that "it is necessary to eliminate whole departments and to convert enterprises where there is no justification for their remaining within the state sector to the private sector in whole or in part." It urged an awareness of the magnitude of the problem.

"If we divide the deficit by the number of inhabitants, we get a figure of \$400 per year, more or less, that is to say the equivalent of the per capita income of a large number of countries," it cited by way of example.

## Private Sector

The MID also made a point of noting the limited incentives for the private sector. The financial aid is insufficient and conditioned by monetarist criteria, devastating interest rates, and maintenance of the customs policy which led to the crisis in industry and in the regional economies.

"Here it is not a question of adopting simplistic protectionism in the belief that customs tariffs are the only tool of development, and rigid use of that tool, but rather of eliminating an absurd mechanism established by those who believe that producing candies and producing steel are the same thing, and who subject our



businessmen and workers to competition with products coming from countries with different economies, foreign to the enterprises, or with a different wage level, wherein, whatever their efforts and efficiency may be, they can only be the losers, can only sink into bankruptcy and unemployment," the MID said.

Concerning productive activity, the document also urged an immediate policy of utilization of natural resources as well as revision of the criteria for foreign indebtedness and linking the economy with foreign economies.

#### Wages

On the subject of wages, the document noted the serious decline in the purchasing power of incomes, but said that an increase in it could not be achieved by decree, "but through the generation of more goods and services."

It said that collective bargaining is the best mechanism for finding the wage level best suited to reality, for which reason it urged the normalization of the trade union organizations and the launching of negotiations between the parties.

#### Monetarism

After the analysis described, the MID concluded that "the failure of the earlier policy was not a matter of implementation" but of conception. For this reason it predicts the failure of the proposals designed to correct the instrumental aspects of it.

"No solution to it is offered by the wide range of modified liberal monetarist projects or the forms of orthodox monetarism, which are only conceivable in a country much reduced in size or subjected to a dictatorship which is inconceivable given the social and political level of Argentina.

"It is false to say that the alternative to all of this is populism or statism in their all so varied forms," the document drafted by Frondizi and Frigerio, president and first vice-president of the national committee of the MID, respectively, added.

"The possibility of encouraging freedom of private initiative and reconciling it with the national goals, which was wanted in 1976 not only by the armed forces but by the whole people, is not achieved through concepts which have invariably failed and which have worked together to denationalize the economy, to cause a deterioration in social conditions and to make the national situation increasingly vulnerable," it concluded.

5157

CSO: 3010/1516

## ROLLING STOCK INDUSTRY SEVERELY AFFECTED

Buenos Aires CONVICCION in Spanish 25 Jun 81 p 1

[Article by Daniel Muchnik]

[Text] In the first 15 days of June, one truck factory invoiced only one vehicle throughout its vast network of concession holders in the country. This past May, the total sales of domestically produced trucks came to 270, equivalent to a bare 21.3 percent of the average sales in the month of May between 1972 and 1981. Automobile finishing plants reported that production in May was barely 80 percent of that for the same period last year. In June it had already declined to 70 percent. And the process of decline, accumulation of stocks, heavier financial charges and the inevitable dismissals continued unaltered and unstoppable during the part of June already elapsed. Speaking in management terms, the plants are seeking to establish a balance between production and demand. The recession is attacking the automotive industry, which consumes 11 percent of the steel handled in the country. The opening up of the economy, the project of Jose A. Martinez de Hoz, was like a blow to the jaw for the sector. In the first quarter of 1981 imports won over 30 percent of the trade space (which is the same as if another company had been established in Argentina). The total value of stocks is tremendous: Ford (the affiliate in Argentina was the only one in the world with a surplus until 1980) is carrying \$250 million. Until 1980, Ford "placed" a part of its profits in the local financial circuit. Today it is using borrowed money and is paying very high interest rates, and its costs are rising. That is not all: the concession holders for the various brand names established here support as much personnel as the producing factories. And sales have dropped by 60 to 70 percent in comparison to earlier months. Concession holders understand that the public is put off by the impact of financing (14 percent per month), by the merry dance of price increases (in June there was a 15 percent increase in an attempt to cover replacement costs) and because used car prices are at a standstill, still at the same level as in October of last year. Concession holders are dismissing workers with every passing week. If this level of deterioration continues, how long can the concession holders survive? The meeting with General Viola was held on the president's initiative. The businessmen made an urgent appeal for reactivation, lowered rates and limits on imports--a petition with an unfortunate fate.

5157

CSO: 3010/1516

## LAYOFFS IN INDUSTRIAL SECTOR REVIEWED

Buenos Aires CLARIN in Spanish 21 Jun 81 p 9

[Text] The labor sector has experienced exceptional calm in the past 5 years, giving economic management a margin for action, although not due to a voluntary consensus, which it did not enjoy much before nor will it as of the present. The effort made by the labor sector had no counterpart in capitalization and incentives for growth to enable it to harvest the fruits of its deferment in the future.

On the contrary, the stagnation in the manufacturing sector, which experienced a decline of 0.2 percent per year on an average in the period between 1976 and 1980, caused a decline in both jobs and the real wages offered.

Where job offers are concerned, the recent publications of the INDEC covering April 1981 reveal a doubling of the unemployment rate in the federal capital and greater Buenos Aires, with an increase from 2.0 percent in 1979 to 3.9 percent in April of this year. In any case, this rate appears lower than that being seen currently.

The surveys regard any individual who has worked at least 1 day during the week as employed, so that the figures are only indicative if one knows the rate of under-employment at the same time. Secondly, due to the decline in wages, there has in recent years been a migratory trend in the reverse of the traditional direction, with manpower returning to neighboring countries, thus reducing the manpower supply.

From 1976 to the present time, the manufacturing industry has dismissed approximately half a million wage earners, in other words more than a third of the total existing at the beginning of the decade. In terms of the economically active population, this figure would represent approximately 5 percent of the total.

## Those Dismissed

In the mechanical trades, currently involved in the conflict, dismissals from 1976 to date have totaled 36,000. The number of industrial workers in Rosario has been cut by 50 percent, and unemployment among those remaining stands at 4.8 percent. The reduction was 30 percent in Tucuman, and the unemployment rate there is 7.3 percent. In addition it is necessary to bear in mind that the local unemployment rates cannot be compared with those of other countries, such as the industrial nations, where the unemployed collect compensation, and thus suffer less from their situation.

According to estimates made by private bodies, the time worked by the employees as a whole was down 18 percent in 1980 in comparison to the 1976 level, while the hours worked per individual increased 8 percent during that period.

## Inefficient Redistribution

The manpower leaving the industrial sector was assimilated by independent employment and services. Thus while the industrial sector accounted for 91 percent of the dismissals which occurred in the period between 1974 and 1978, the "finance and services" sector accounted respectively for 23.6 and 27.6 percent of the manpower absorbed, thus incorporating new personnel, a trend which has continued in the years since 1978.

Thus there was a reassignment of labor resources from the most productive sector, in which employed persons benefit from larger central allocations and their work therefore has a greater capacity to generate wealth, toward less dynamic sectors. In fact, the Argentine occupational structure, wherein 18 percent of the workers were self-employed in 1976 as compared to 23 percent now, is more similar to that seen in the most backward countries, where independent work is the typical counterpart to the lack of productive jobs.

5157

CSO: 3010/1516

## UNEMPLOYMENT FIGURES SHOW STEADY CLIMB

Buenos Aires CLARIN in Spanish 21 Jun 81 pp 8-9

[Text] The continuing home survey being carried out by the INDEC [National Statistics and Census Industry] shows, in the figures for April of this year, that the unemployment rate is increasing at an accelerated pace.

In all of the 26 cities surveyed, a total of about 220,000 persons unemployed was reported out of a total work force of 5.4 million. On the basis of this ratio, the total number of unemployed persons in all urban areas in the country in April can be estimated at about 400,000, presuming that the economically active population in the cities totals some 10 million individuals.

The alternatives to which excess manpower has been turning in productive activity since 1976 as a result of the reduction in employment seem to have been exhausted, resulting in an increase in the number of those unemployed.

It was precisely these alternatives which in recent years have made it possible to counteract the shrinking which has occurred in the demand for manpower, such as to show a low unemployment level. The current exhaustion of these alternatives takes on disturbing contours since the increase in unemployment is occurring subsequent to the variations used to offset it.

## Reduction in Supply

After the 1980 census it became certain that the so-called metropolitan area--the federal capital and 19 districts in greater Buenos Aires--has seen a modification in its historical growth trend. In fact, between 1970 and 1980, the total population in the largest urban area of the country increased at an average annual rate of 15 per thousand, but this increase did not occur uniformly over long periods, since the home survey data shows that during the first 5 years of the period growth averaged 22.6 per thousand per year, while between 1975 and 1980, the rate was 7.5 per thousand.

This figure falls below the natural growth rate, based on an estimate of about 9 or 10 per thousand for the period for the latter, such that to reach the aforementioned rate of 7.5 per thousand, a population exodus with a magnitude of about 1.5 or 2.5 per thousand annually must have occurred.



This reduction in the manpower supply has been one of the most important factors in the low unemployment levels reported prior to the recent upsurge. As the supply was dwindling, the reduction in the job offers was not reflected in the unemployment rates.

This population development, which at the time was caused by factors having nothing to do with labor, will from now on increasingly involve issues pertaining to the labor market.

#### Self-Employment

A short time after the 1976 economic program was launched, a shift in the labor force from the category of wage earners to independent employment began to be noted. At the same time, a change in activity occurred: industry was losing its working population, while services were experiencing a parallel increase.

This shift, which was initially justified as an alternative for increasing income, gradually became a solution to unemployment.

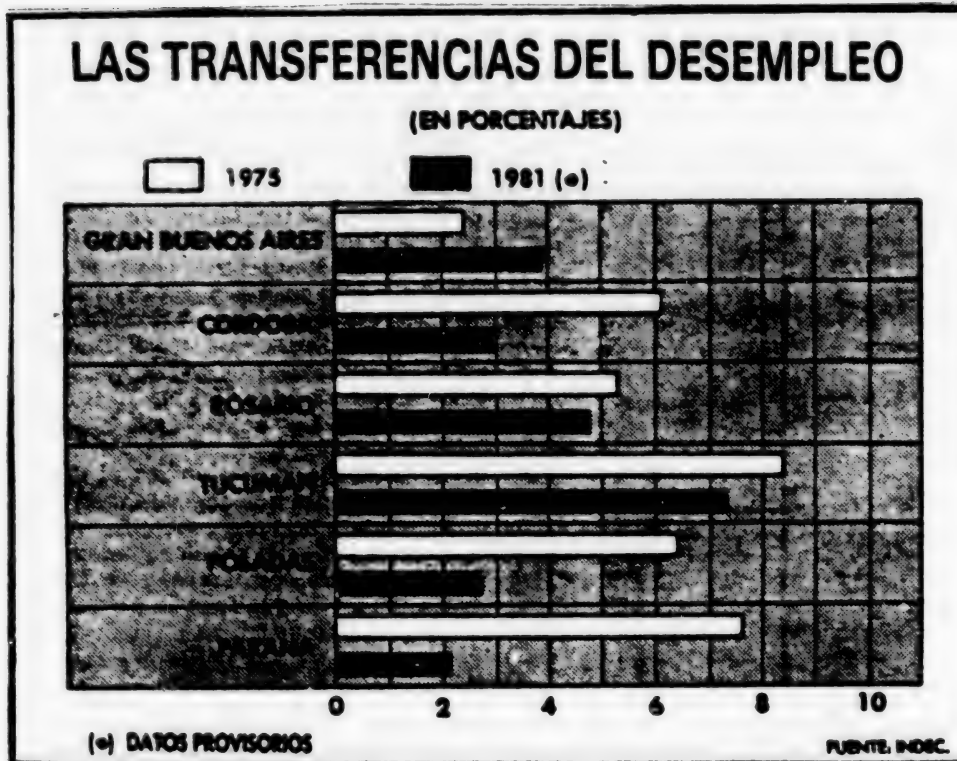
This mode of labor, which involves basically creating a space within the demand for services on one's own, depends precisely on the maintenance of that demand, a situation which is subject to the variations which the highest income sectors can experience. In view of the extent of the crisis, it is not too bold to presume that the demand for these services is speedily dwindling, which will lead many of those involved in independent activity perhaps to seek to return to a wage earning status, thus causing a sudden increase in the number of persons unemployed.

#### Localities in the Interior

When it comes to unemployment in the interior districts, the INDEC data shows that in the majority of the cities in the northwest and some in the northeast, employment rates which could in no way be regarded as low have been reported. Put in another way, it is not that unemployment in these localities increased between October 1980 and April 1981, but rather that high rates were already in existence there.

It is obvious, then that a geographic redistribution of unemployment has been in progress since 1976, and it is, moreover, being seen in greater Buenos Aires now.

# Unemployment Shifts in Percentages



Key:

1. Provisional Data
2. Source: INDEC

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CSO: 3010/1516

## 'POLITICAL COLUMN' VIEWS RECENT EVENTS WITH OPTIMISM

Buenos Aires LA NACION in Spanish 2 Aug 81 p 8

[Excerpts] Anyone who observes the public scene of national politics with an unprejudiced eye will note the succession of a sufficient number of events and circumstances to make him think that the life of the country is now closer to the finishing line than to the starting line of March 1976. It may turn out to be a temporary optical illusion. After all, that does not imply a supposition that the process guided by the armed forces, has, in their opinion, achieved what is necessary to satisfy the group of parties which is calling for a multiparty system when, with a certain amount of energy, they request "a precise timetable" for institutional normalization.

However, there are sharp images in the background of the abovementioned public scene which at times come to the forefront, as if to say that the terms of the relationship between the power factors of the process and those, for example, who are pressing to enter the terrain of mutual concessions, tend now to be substantially different from what they were up to now. While some politicians, such as Mr Bittel or Mr Frigerio, delight in saying that Lieutenant-General Viola's government has divested itself of the arrogance of the previous administration, one cannot fail to note that they, like a great number of party leaders, have also adjusted themselves to the game of simplicity and contemporization. Not long ago, on the subject of the radical invitation to developmentalism, Dr Antonio Troccoli said, with a slight touch of sarcasm, that the strategy of Dr Frondizi's friends had also changed, as now these friends were not attempting to impose their economic ideas by any means other than in accordance with the Constitution.

The political debate--pay attention to this--not only has lost a great deal of the aggressive style which precedes clashes but the parties have also deliberately tried to avoid such a style, thus the opponent--or if you will the other party--will not be placed in excessive difficulty. Just as Viola decided to say nothing derogatory about the radical convocation, in the past it would never have occurred to the Justicialist vice president, Bittel, as it did a few days ago, to say that the government should not be destabilized and that a presidential convocation can be as patriotic as the one motivating that group of parties.

With these new general conditions, it seems reasonable the military junta has begun to notice that the real political world is differing rapidly from the one ordered by the emergency regime which banned party activities or, in any event, reduced them. And in consequence, it is readying itself to act in a different manner.

8143

CSO: 3010/1659

## PAPER QUESTIONS U.S. VETO OF LOAN TO GUYANA

FL191622 Bridgetown CANA in English 1557 GMT 19 Aug 81

[Text] Bridgetown, Barbados, 19 Aug (CANA)—The nation newspaper today raised questions over the U.S. veto of a loan of 20-million-dollars (US) loan to the government of Guyana from the Inter-American Development Bank.

Said the paper: "We find it strange that the U.S. Government would want to frustrate the efforts of the Guyanese on technical grounds as stated by their spokesman. The question therefore arises about possible political implications.

"It is quite clear that the Reagan Administration has no intention of adopting a soft-line with countries which appear to be out of step with current U.S. thinking, and we appreciate that Washington is therefore not exactly elated over some of the dictates from Georgetown. We however do not believe that American self-interest demands heavy-handed use of a veto without some proper fuller explanation from Washington, which we now await."

The nation looked at American policy towards Jamaica and said it understood why the Americans feel anxious to help. On the other extreme, the U.S. "hands-off" policy on Grenada was not difficult to interpret either, "given Grenada's own open aggression towards the United States and the latter's determination to act forthrightly, to put it mildly.

"But what of Guyana? What is now influencing decision-making in Washington on Guyana in particular? And what is it going to mean for the Caribbean in general?" the paper asked.

CSO: 3025/1026

## NAVY MINISTER NOTES VULNERABLE DEFENSE OF SOUTH ATLANTIC

Sao Paulo FOLHA DE SAO PAULO in Portuguese 4 Aug 81 p 7

[Text] Minister of Navy Adm Maximiano da Fonseca said yesterday that Brazil is engaged in a shipbuilding program aimed at renovating and reoutfitting its fleet "so that the country will not remain totally vulnerable in its defense of the South Atlantic."

In justifying the adoption of that program, the minister said that if there is a new world war, "and no one can say that there will not be, we will be totally exposed and will not have the means to defend ourselves." Later he added: "At times we are obliged to send ships to the coasts of South Africa simply to show the flag and make our presence known. The minister of foreign affairs is well aware of what that means, but it is a very delicate and complex diplomatic matter, and I would like to ask that nothing be published."

The minister said: "The program calls for investments totaling \$1 billion over a 10-year period, and it includes construction of a training ship (already being built), a conventional submarine, and a corvette. The submarine project will be purchased, possibly from Germany, since we do not have the technology, but a special task force is developing Brazilian know-how in nuclear propulsion because within 15 or 20 years, we hope to build our own first atomic submarine."

Maximiano da Fonseca was at the Sao Paulo State Federation of Industries, where he had gone to explain the details of the shipbuilding program to a select audience of businessmen--behind closed doors--and find out how national industry could cooperate by supplying equipment. Following his speech and the ensuing discussion, which lasted 2 hours, the minister agreed to talk to reporters, but only on condition that no questions of a political nature be asked.

He said, for example, that the Ministry of Navy's concern for better armament has no connection whatever with any interest by Brazil in maintaining its supremacy in South America, "although Argentina is also renovating its fleet and acquiring military equipment from Germany." He explained: "Our misgivings are due solely to Brazil's lack of protection in the South Atlantic."

The admiral also said that the countries of South America are friends and that this October Brazil is to take part in joint maneuvers with the Argentine Navy, "which proves that we are closely united." But the minister ruled out any possibility that



Brazil might join the South Atlantic Pact (proposed by Uruguay, Chile, and South Africa), arguing that the fleets "are too small for us to consider a pact."

According to the minister, 76 percent of the equipment on the training ship, which is already under construction, will be made in Brazil. That ship is being financed by the Bank of Brazil. To carry out the plan for the corvette and the submarine, "we will have to seek funds abroad."

Maximiano da Fonseca recalled that Brazil is among the world's countries that spend the least on armament: "Only 7 percent of the federal resources are allocated to the armed forces--3 percent goes to the army and 2 percent to the air force, leaving 2 percent for the navy. I know that it is bad to spend money on weapons, but what is even worse is to have to buy them abroad. So we want the cooperation of national industry to the extent possible."

11798

CSO: 3001/234

## PARANA BEGINS PLANTING ITS THIRD LARGE CROP

Rio de Janeiro JORNAL DO BRAZIL in Portuguese 17 Aug 81 p 12

[Text] Curitiba--After the frosts and droughts which completely damaged the harvest of winter crops, Parana is beginning to plant its third great agricultural crop, initial forecasts of which indicate it should reach 20,640,520 tons of grain. It is the so-called summer crop, planted and grown in the period which runs from August 1981 to March 1982.

The forecasts of areas and production of the main crops revealed at the beginning of the week by the State Agriculture Planning Commission (CEPA-PA) show that corn and soybeans are going to occupy 4,000,750 hectares of the 7,068,800 hectares to be planted this summer throughout Parana, and that for the first time in the agricultural history of the state corn production is going to exceed soybean production. There will be 5,850,000 tons of corn compared to 5 million tons of soybeans.

## Corn and Recession

The increase in the growing of corn in Parana is due mainly to the new characteristics of agriculture, which also faces problems of the crisis in investments and the decline in growth. To cite only one example, 80/81 production increased 9 percent with respect to production of the previous year compared to the 5.4-percent increase forecast for next year. The decision by farmers to plant corn instead of soybeans, peanuts or even rice, is the consequence of the high costs of materials (some showed increases of 1,400 percent) used in growing the other crops.

Another factor is the new method established for planting loans which foresees the spending of 20 to 40 percent of the farmer's own money for planting. The resistance of corn to weather conditions guarantees a good harvest.

"The farmer does not want to run any risk. If he plants with his own money or if he borrows from the bank at market rates, the one who is going to lose if there is a crop failure will be he," declares the president of the Coffeegrowers Cooperative of Maringa, Constancio Pereira Dias. Many farmers are going to reserve small areas in their soybean farms for corn, and the coffee growers are also going to plant corn in an effort to stay solvent until the next harvest.

## More Beans and Cotton

Even with the decline in consumption in recent month and the Brazilian production of 2.6 million tons in 80/81, which caused a decline in the level of prices and the maintenance of stocks, beans should have an increased production. A harvest of 620,500 tons is forecast for the rainy season harvest alone, which means an increase of 18.7 percent over the last harvest. The increase will result from the use of the area in which coffee was plowed under and because of expectations of good prices on the market.

An increase of about 9.4 percent in the area planted in cotton is foreseen. Good sales of the crop, increases in yields and also the use of areas in which coffee has been plowed under are responsible for the forecast that 630,000 tons of cotton in the boll will be harvested. The basic amounts of planting costs loans will also help; they are enough for normal planting and cultivation in the field.

The reduction in soybean planting, the main Parana crop of the 70's, is due primarily to the restrictions in the granting of planting loans to medium and large growers, thus requiring large expenditures of own resources or the obtaining of money at market rates. This problem, together with the fact that 90 percent of the money used is for the acquisition of modern equipment and mechanization and the low prices received for the 80/81 crop, concluded by reducing production expectations. The area planted in soybeans will decrease 4.3 percent with respect to that of last year.

The crop which showed the most significant reduction in production prospects was coffee. Two frosts in June and July were enough to reduce the next harvest by 73 percent, according to official figures of the Secretariat of Agriculture and already known by the U.S. Department of Agriculture. Of a crop of 700,000 tons of processed coffee, Parana is only going to harvest 115,200 sacks [presumably the 700,000 tons is the entire Brazilian crop].

8908

CSO: 3001/237

## JULY TRADE BALANCE: SURPLUS FOR THIRD CONSECUTIVE MONTH

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 12 Aug 81 p 23

[Text] Brasilia--In July the trade balance again repeated its favorable showing--for the third consecutive month--by presenting a surplus of \$92 million. Exports reached their highest historical level at \$2,052 million, and imports resumed their normal rhythm with a total of \$1,961 million, the highest monthly outlay since October of last year.

That result brings the accumulated deficit for the first 7 months of this year down to \$224 million, compared to \$2,332 million for January through July of last year. For the 12-month period through July 1981, the negative balance in the trade account stands at \$713 million, compared to \$4,208 million for the 12 months ending in July 1980. In July of last year, the trade balance showed a deficit of \$293 million. These data confirm the expectations of Minister of Finance Ernane Galveas, who last week, on the basis of estimates, predicted a surplus in the neighborhood of \$100 million.

The final figures for the July trade balance were announced yesterday by Carlos Viacava, secretary general of the Ministry of Finance, who considers them "an interesting result for the month." In Viacava's view, the accumulated negative balance for the year--\$224 million--"is practically a situation of equilibrium and not a deficit, especially in comparison with the \$2.3 billion recorded in the same period of 1980. It is only 2 percent of our total exports," said the secretary general of the Ministry of Finance, and the result is that there has been a "substantial" improvement in the trade balance.

Viacava estimates that Brazil's trade account will close this year with a surplus on the order of \$500 million. For that to happen, it means that from this month through December, the value of Brazilian products sold abroad each month must total \$150 million more than the total spent on goods that the country will have to import over the next 5 months. Viacava believes in that possibility since, according to him, the trend indicates that we will continue to earn over \$2 billion in foreign exchange from imports every month. According to him, exports will be influenced in a positive direction by better prices for primary products on the international market. Viacava also emphasized that maintaining the rate of exports and possibly increasing it will depend on U.S. monetary policy, since high interest rates discourage purchases, while a decline in interest rates would accelerate the buildup of inventories.

1) EXPORTAÇÃO								
2) Especificação	3) Julho 81	3) Julho 80	4) Variações Absoluta % (5)	Jan/Jul	Jan/Jul 80	4) Variações Absoluta % (5)		
Total	2.053	1.654	399 24,1	12.908	10.847	2.061 19,0		
4) Café	112	226	-114 -50,4	1.102	1.684	-582 -34,6		
7) Outros	1.941	1.428	513 35,9	11.806	9.163	2.643 28,8		
8) IMPORTAÇÃO								
Especificação	3) Julho 81	3) Julho 80	4) Variações Absoluta % (5)	Jan/Jul 81	Jan/Jul 80	4) Variações Absoluta % (5)		
Total	1.981	1.947	34 0,7	13.132	13.179	-47 -0,4		
9) Trigo	91	96	-5 -5,2	440	580	-140 -24,1		
10) Petróleo	859	723	136 18,8	6.084	5.515	569 10,3		
7) Outros	1.011	1.128	-117 -10,4	6.608	7.084	-476 -6,7		
Diferença dos totais								
Exportação - Importação + 92 (-) 293 (-) 224 (-) 2.332								

Key:

- |             |  |
|-------------|--|
| 1. Exports  | 7. Other   |
| 2. Item     | 8. Imports                                       |
| 3. July     | 9. Wheat   |
| 4. Change   | 10. Petroleum                                    |
| 5. Absolute | 11. Difference between total exports and imports |
| 6. Coffee   |  |

The initial expectations of the secretary general of the Ministry of Finance, based on "arithmetical reasoning," indicated that the country might reach the end of 1981 with a surplus of \$3 billion. He made that projection when he announced the first favorable result in the trade balance this year, which occurred in May at \$12 million (and not the \$21 million indicated by preliminary data, a figure that was quickly announced in the euphoria of seeing the first trade surplus this year). Viacava announced the corrected figures yesterday. In June the surplus was \$154 million and not \$160 million, as had been announced previously.

#### Imports

Outlays for imports from January through July of this year were down 0.4 percent from the amount for the same period last year. A drop of 6.7 percent occurred in imports of "other products," excluding expenditures to purchase wheat, which fell by 24.1 percent, and petroleum, which rose by 10.3 percent. In the first 7 months of 1981, Brazil spent \$13,132 million on imports, compared to \$13,179 million during the same period in 1980, for a drop of \$47 million. According to Viacava, that performance reflects the tight money policy, the continual exchange devaluation, high interest rates on the domestic market, and substitutions for some imports, an example being in the fertilizer industry, where domestic production has made it possible to reduce imports.

In July, however, imports rose significantly in comparison with June, when the country spent only \$1,766 million--the lowest amount since February of last year. In

July 1980, imports cost \$1,947 million, practically the same as this July (\$1,961 million). Petroleum purchases from January through July have already cost us \$6,084 million, compared to \$5,515 million, for an increase of 10.3 percent, an increase that should remain constant through the end of the year. Petroleum imports totaled \$859 million last month, compared to \$723 million in July 1980.

#### Exports

The poor performance of coffee exports was responsible for a rise of only 19 percent in the overall value of exports from January through July this year in comparison with the same 7 months of 1980. In the past 7 months, Brazil exported merchandise worth \$12,908 million, compared to \$10,847 million. Coffee sales in the first 7 months of this year showed a drop of 34.6 percent, while sales of other products had risen by 28.8 percent in July. Exports of other products, excluding coffee, rose by 35.9 percent in July compared to July of last year, but coffee sales declined by 50.4 percent compared with July of last year, with the result that the overall increase was 24.1 percent. Last month, coffee exports were at their lowest point this year at only \$112 million, compared to \$226 million in the same month of 1980. Viacava believes that coffee exports will not begin to react until October, since contracts through September have already been signed. "We hope there will be an improvement from October through December, as well as throughout next year as a whole." According to Viacava, the renegotiation of export quotas by the International Coffee Organization (OIC) will help to bring about a reaction in prices.

11798

CSO: 3001/234



## PCR MERGER WITH MR-8 ANNOUNCED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 13 Aug 81 p 2

[Text] The Revolutionary Communist Party (PCR) and the 8 October Revolutionary Movement (MR-8), both clandestine, have merged into a single group that will retain the name of MR-8. The communique, dated 26 July and originating in Brasilia, was sent to newspaper editors yesterday. According to the document, unification of the two groups occurred during a "special PCR conference" at which there was discussion and acceptance of the proposal made during the Second MR-8 Congress. The document's authors say that unification represents "a decisive step in rebuilding the Communist Party in our fatherland."

After commenting on the political, social, and economic situation in various countries, the authors attack the Brazilian Government and declare that "the political and organic unification" of the two parties "in a single and vigorous revolutionary party results from the maturing among us of the joint struggle against the fascist dictatorship and from thorough political and ideological unity."

Asserting that "the unification of the communists is an irreversible and present fact," the MR-8's leaders say that "nothing was accomplished by the thrusts of fascist terror on the part of the dictatorship, which murdered and wiped out hundreds of patriots and revolutionaries" who "shed their blood and gave their lives for a free and democratic country, unlike those who have holed up in the government and are selling out our country by engaging in corruption and thievery and robbing the public coffers."

Concerning the commitment being made to unification by the two parties, the document asserts that "the MR-8 reaffirms its commitment to unite all of Brazil's democrats and patriots, civilians and military, and thus overthrow this regime and build a new government. A government to save the nation from corruption; one that will freeze our foreign debt and put an end to the flight of our foreign exchange; one that will stop the sellout of our natural resources and nationalize the multinationals that insist on suffocating our economy."

The MR-8 also proposes, with that same new government, to carry out an agrarian reform, "increasing food production and giving the land to the one that works it." Another proposal is to call "a national constitutional convention, free and sovereign, to reorganize the nation's political life. A government that will take firm and certain steps for the building of a new Brazil."

11798

CSO: 3001/234

## PCB LEADER URGES OPPOSITION TO UNITE

Rio de Janeiro JORNAL DO BRASIL in Portuguese 1 Aug 81 p 2

[Text] Lisbon--Giocondo Dias, secretary general of the Central Committee of the Brazilian Communist Party [PCB], believes that Brazil will not build the freedom and democracy it wants without unity among the forces struggling to achieve those objectives. "Division today, regardless of where it comes from, only promotes the plans of the reactionary forces."

Giocondo Dias praised President Figueiredo but condemned the groups surrounding him. He reiterated the importance of the constitutional convention and said that people's vigilance is necessary because "an imposed political relaxation will mean the institutionalization of arbitrary government in Brazil."

## Inflation

Giocondo Dias feels, however, that a crucial issue in Brazil today is the fight against inflation. "In our country, high prices are one of the most serious issues and must mobilize all the democratic forces that are also struggling against unemployment and for the free exercise of labor union activity, which still suffers extremely serious restrictions. The fight against inflation--against the rising cost of living--must interest everyone. How can we protect better wages to deal with that situation unless there is strong and free union organization?"

He said: "I see the 1982 elections--if the situation does not change--as an important step. It is necessary, however, to be attentive to the rules of the game. The elections cannot be a referendum approving the government's casuistical proposals. If the political forces, the unions, the institutions, and the civilian organizations unite in the struggle for free elections without casuistry, those elections will mark a basic step by the country in the direction of winning freedom and democracy."

He feels that the constitutional convention is a viable plan in the short term, with support for it ranging from Afonso Arinos to the CNBB [National Conference of Brazilian Bishops] and including the ABI [Brazilian Press Association] and the OAB [Brazilian Bar Association].

Giocondo Dias was in Lisbon for an eye examination. He has glaucoma and is leaving today for Moscow, where there will be more examinations, followed by an operation if necessary.

11798

CSO: 3001/234

## AEROSPACE INDUSTRY INITIATES SOPHISTICATED WEAPON PROGRAM

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 2 Aug 81 p 7

[Article by Roberto Godoy: "Brazil Enters the Guided Missile Era"]

[Text] I. A flash of lightening, a streak in the sky, the supersonic F-5E jet thunders over the enemy base after a flight at an altitude of 60 meters and a speed of 800 kilometers per hour, out of reach of radar and unobserved. Parked under camouflage nets, 18 fighters are being scrambled. Suddenly the invader drops a strange cylinder with a blunt end. A parachute slows its fall, keeping its end at an oblique angle to the surface of the takeoff runway directly below. When this inclination reaches a certain point, an internal electronic sensor gives the signal. A small rocket in the rear is activated, driving the device against the pavement. The point penetrates and cuts through 40 centimeters of concrete. Only then does a strong, loud explosion jolt buildings and objects in a radius of 300 meters. The airport runway ripples and slabs loosen as in an earthquake. The enemy squadrons are paralyzed, prisoners on the ground, prevented from striking back. The operational runway is destroyed.

II. The impressive tank crosses the road. It is sealed shut, traveling at half speed, all its weapons systems, from the 105-mm cannon to the 7.62-mm machineguns, ready for combat. Suddenly, from a bush darts a deadly bird of steel with its claws opened, unstoppable. The small missile is dragging a long wire and it strikes the 30-ton armored tank directly, exactly at the most vulnerable point, the juncture of the turret and the body. There is flame, smoke and twisted metal. From the time of firing it has been six seconds.

III. The action began in the morning and the situation is difficult. The armored infantry outnumbered the group holding the position, the access to a small power-plant. The fog is welcome. It helps, for example, when an amphibious personnel carrier appears in the middle of the road. A single shot halts its advance, transforming the vehicle into an inferno of explosions. It is not possible to spot the position of the marksman. There was no flame, no noise, nothing.

## Special "Smart" Bombs

This year Brazil enters into the sophisticated technological field of guided missiles and special "smart" bombs, initiating a process which by 1984 will be completed with the regular introduction of medium and long-range guide missiles in addition to integrated defense systems, an advanced concept of operational mobility which foresees the deployment of self-propelled units to a certain point from where they will enter into combat together.

The three aforementioned hypothetical situations identify new national military products manufactured by AVIBRAS Aeroespacial [Aerospace Industry] of Sao Jose dos Campos, weapons which will be available as of December in the pre mass production phase. The penetration or G Bomb, which weighs 250 kilos and carries 50 kilos of high explosive, is dropped from an aircraft at low altitude and shortly after initiating its free fall it releases a parachute, which fastened to its rear section causes it to go into a programed angle with respect to the ground. An electronic sensor "sees" the proper time and automatically activates a rocket located between the stabilizers, which then accelerates the bomb until it strikes the ground. The mushroom-shaped head penetrates nearly 40 centimeters into the concrete. Only after that does it explode. The effect is destructive: 200 square meters of paved area are destroyed.

"It is a device designed primarily for missions to make the runways of enemy airbases unusable," explains Engineer Pedro Vidal, assistant of the sales division of the company. An unusual fact: The G-Bomb (Ground Bomb in English) which is made only in the United States and France, is going into production in the secret assembly buildings of AVIBRAS to fill an order from an unrevealed customer abroad and not because of a request from the minister of air, the natural channels for projects in that area in the country.

In the same period that the first units will be coming out of the finishing sections, the MAT or Antitank Missile will already be in operation. It is an electronic wireguided missile, that is, it will be guided from a distance through signals sent by wire, actually through an optical fiber. It is a weapon of the configuration of the German "Mamba", for use by army troops. It has a range of approximately 2,000 meters. The artillerian can fire the MAT from the ground, from a dismountable ramp on a tripod or from a vehicle.

Skillful handling is required. The missile is propelled by solid fuel and is 90 centimeters long, 120 millimeters in diameter and weighs 11 kilos in its firing mode. The soldier carries a small case in which are the controls and instruments for sighting adjustments. The best operational range for the MAT is in the range of from 500 to 1,000 meters and it is controlled in a manner similar to that of a model airplane. Electronic signals reach the on-board minicomputer in flight by means of wires. "It is strictly a matter of skill. For the training of personnel we are going to develop a simulator with several interchangeable programs," explains Pedro Vial, emphasizing: "As of now there is no armor which can withstand the impact of the MAT type projectiles without damage." In fact, the "Mamba" is sold with the claim that its warheads (average weight 3 kilograms) penetrate steel plates of up to 30 centimeters thick.



At the same time, AVIBRAS developed the "Seta" an unguided rocket launcher of the Belgian "Armbrust" type, very simple and efficient which can be carried by one man. Using a shortened version of the Sbat-70 (another rocket which has been on sale for a little less than 2 years and which carries four kilos of explosive), the weapon is a little larger than a machinegun. Its effective range is 500 meters, with an antitank penetration of armor of 300 millimeters. Its advantages over similar weapons are: It emits no flame, smoke or any loud noise due to a recoil buffering assembly and the use of a special plastic cartridge. "It becomes a very interesting piece of equipment when it is known that with the spending of \$600, which is the cost of each round, an assault tank costing in the range of \$1 million can be eliminated," ponders Vial.

This is not all: the company intends to have two superbombs in this "package" of novelties, one fragmentation and one incendiary with an average weight of half a ton each. At this time, the 120 and 250 kg (fragmentation bombs) and the 375 or 250 kg incendiary bombs are available and will be stocked. According to evaluation tests, the units already accepted by the Brazilian Air Force show a performance superior to the material purchased abroad."

#### The Missile, the Most Ambitious Project

It is a missile 10 meters long, probably derived from the lessons learned with Space Probes III and IV built by the Aerospace Technical Center at Sao Jose dos Campos, which can travel distances ranging from 300 to 600 kilometers in self-guided flight. Guided in flight by an inertial system (similar, for example, to that used in the Boeing-747 Jumbo), it is guided when near the target by a sensitive self-contained radar. It is capable of carrying a single warhead or 150 kg of multiple warheads. It is the most ambitious AVIBRAS project in the area of missiles and the natural progression in a cycle initiated with the X-40, the largest military rocket in regular production in the country, with a range of 68 kilometers and an explosive charge of 146 kilos.

The future giant will be of the U.S. Pershing II class, a nonnuclear model of a "family" begun in 1957, actually the most flexible nuclear vehicle created in the United States in the range of from 60 to 400 kilotons. Recently, however, the high degree of accuracy of the model led the Pentagon to select it for conventional use.

"It is possible to obtain good results from a multiple warhead, in our case five 30-kilogram warheads filled with high explosives. The missile reaches an equidistant point and releases the loads against several targets all at once in a single launch," says Engineer Vial.

First of all, however, the X-40 (ground to ground) will receive an electronic guidance system to increase its yield as an element of use in theaters of operation requiring surface to surface activity or units manning coastal defenses. "Beginning with 40,000 meters, a certain amount of self-guidance is necessary," says Pedro Vial, "since ballistic missiles at that distance nearly always have to be aimed at targets in a general area of eight square kilometers, that is, a military installation, a depot, and so forth." The modernized configuration will

keep the basic characteristics of the present weapon with respect to caliber (300 millimeters), size (3.3 meters), with perhaps some change in the design of the tail fins.

#### The "SID" System

The incorporation of the X-40 self-guided missile, as well as of the long-range missile, is important for fulfillment of the project, which has already been found viable, of creating the Integrated Defense Systems consisting of entire of components whose services complement each other. They are fixed or almost always mobile units of detection and identification (with radars and sensors) of targets; fire direction and control centers and vehicles with multiple launchers for rockets and missiles. Thus, a standard SID group would consist of three vehicles on which would be arrayed several types of weapons ranging from the Sbat-70 (7.5 km range, 4 kg useful load) to the X-40, with the Sbat-127 (15 km range, 20 kg useful load) and the X-20 (35,000 meters range and 35 kilos of explosives) in between. A command car would coordinate the plan, receiving information from another truck with a metal body on possible targets to be hit, while another vehicle would indicate, after evaluation, the type of weapons to be selected; for example, a rain of rockets on enemy troops in deployment or a single long-range missile with multiple warheads against a column of armored vehicles. Moreover, it could be a combination of the two tactics associated with anti-aircraft combat. SID is an extremely new system. After being in action for some time, it would continue as a normal transportation convoy to another position. AVIBRAS is thinking of adapting the principle to systems suitable for the navy in antimissile defense, with conversion for attacks by ships on coastal installations.

#### By TV

"In a number of programs, AVIBRAS is particularly seeking to acquire the necessary technology for the creation of an air-to-ground missile with nearly 10 kilometers of useful range and guided by television," says Vial. That weapon would operate with certain characteristics similar to those of the HOT manufactured by a European consortium administered by the French group EUROMISSILE. That missile has a range of 4,000 meters, but its size and weight (1.27 meters, 32 kilos, 16mm cal. [as published] together with the devastating warhead of the Oca type, allow the initiation of studies in that respect. Designed to be fired from helicopters and ground attack aircraft, the television guided missile will have a transparent "head" with a small camera which will send pictures to a screen on board on the basis of which the pilot or bombardier can make readjustments in the trajectory. Items of the same type usually have an infrared sensor to take the rocket to the target, with rates of error of less than 1 percent as an average being observed.

"All that is part of a large machine put into action, first by the government but it now has a foundation and begins to take the steps of an adult, taking initiatives," said an officer in Brasilia who until recently was linked to the armed forces research sector. He said: "It is clear that there is the concern of putting together all the undertakings, that is, in addition to the finished articles, there is the concern for the training of personnel." The military man who was speaking to the AVIBRAS plans underway, concluded: "Now that (the Brazilian war materiel industry) is no longer a waste of the people's money."



## Production of 40,000 Units Per Year

AVIBRAS can produce 40,000 bombs and medium-sized rockets per year. Its orders in 1981 have already reached the goal of \$10 million established in 1980. Industrial Unit No 2 will begin operations within 3 months at the Santa Branca Dam, an island in the middle of the lake, where the "active components" will be assembled, that is, where the tubes of the rockets are filled, first with the composite solid fuel (ammonium perchlorate mixed with a resin derived from petroleum) and then with the explosive charge. It is also there, 20 kilometers from Sao Jose dos Campos, that there is rising a vast proving grounds, guarded by a special security force which is posted at the four arsenals scattered irregularly in the area, with access provided by 8 kilometers of internal roads.

However, it was not always thus. In 1961, when Engineer Joao Verdi de Carvalho Neto, chairman of the board, built the organization, the idea was to build a single-engine airplane, the "Alvorada." The following year, a complete prototype of the "Falcao," a primary trainer, was built. In 1963, the "Sacy" was built with a 1200 Volkswagen sedan engine. A fire destroyed the installation and the limited choice left was to make solid fuels, propellants in general, for the National Research Council. Space activities began in 1965 with the participation of AVIBRAS in the program for developing Sonda 1, a weather rocket. Electronics became the concern in that period as a result of the need to effect telemetry monitoring of almost all the 96 tests made.

Early in the 70's, technology turned to the military sector and in 1975 the first large contract for the supply of materials was signed. In addition to advanced weapons, the industry produces a parabolic antenna for telecommunications, the Ansat-10, which measures 10 meters in diameter.

Manufacturing Unit 1, where the Electronic Division is located, is at this time filling a contract signed with the navy for fourth generation communications-navigation equipment (UHF transceivers, A.D.F. and receivers for Transit satellites). The same division is responsible for the medium-term development--two years--of the support items for all the new projects: highly sensitive radar, firing computers for all aircraft, and weapon selectors for land and naval use.

8908

CSO: 3001/229

## SPACE ROCKET LAUNCHING BASE TO BE BUILT IN MARANHÃO

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 2 Aug 81 p 35

[Text] Unlike Barreira do Inferno in Natal, which could be considered only as a proving ground, the first base for launching completely Brazilian rockets, specifically the satellite-launching Sonda IV type, will be built in Alcantara, Maranhão.

Pursuant to Decree No 7820 dated 12 September 1980, the Maranhão government declared "an area of land required for the installation by the Ministry of Air of a space center in the municipality of Alcantara" to be of public domain for the purposes of expropriation. It is a city strategically well located on the northern coast which contains all the qualities necessary for launchings.

The Alcantara base will be used solely and exclusively for launching satellites, occupying, according to the decree of expropriation, 520 million square meters. The Air Ministry plan determines that the people whose property is expropriated be resettled on the peripheries of the base where they would receive the title to permanent possess of the land distributed as a number of small farms. Those families would have help in the planting of sorghum and manioc, which would replace their small alcohol processing plants.

Also scheduled is the construction of a port in the city where Brazilian Navy ships will anchor, as well as submarines in transit which belong to "friendly" countries. Hotels and hospitals would be built in Sao Luis and Alcantara and a unit of the Military Police firefighting group would be specially trained to handle cases of unsuccessful launchings or technical failures of rockets.

## The Sonda Project

From the successful launching of Sonda I in 1966 to the complete operational status of the Sonda IV rocket in 1984, a great step is being taken by the Brazilian space research community, which worked almost all that time in computer rooms or once in a while in Barreira do Inferno (launchings were not always made public knowledge).

Concern with self-defense has caused Third World countries to do research on new rockets for so-called peaceful purposes, but which would be designed to maintain--a common argument--the balance of forces among neighboring nations.

That is the way it happened with the United States, the Soviet Union, France, England and China. In its plans, Brazil, with its space program, is seeking self-sufficiency in the field of defense by means of medium-range ballistic rockets now, and by long-range rockets in the future.

The first Brazilian Sonda, a 54-kilo cylinder, is 3 meters long, with two stages and a speed of 1,200 meters per second. Its creation involved an agreement by Brazil with NASA of the United States, from where technologies were transferred for the construction of what is now the rocket launching base of Barreira do Inferno in Natal. Similar agreements were signed with Canada and Germany.

From this program emerged an entire generation of military rockets for use by the fighter aircraft of the Brazilian Air Force. They are rockets of the air-to-ground type produced by AVIBRAS [Brazilian Aerospace Industry] in Sao Jose dos Campos, thus breaking a system of continuous imports by Brazil from the United States. When that took place--almost 4 years ago--authorities revealed that a savings of \$15 million (1.4 billion cruzeiros) had been made in the military budget.

However, the manufacturing of a rocket does not involve simple measures and, in addition to the technology itself, there was a vital question: The skin material (special alloys), for which new processes were developed, processes which are now in the possession of a consortium with the Air Force Technological Center, Eletrometal of Sao Paulo, and ACESITA of Minas Gerais.

Sonda I completed its tasks as a "space research" equipment by the end of 1970, when it carried precision measuring instruments, sensors and an entire array of equipment for the study of atmospheric layers, in its nose.

With the natural development of the process, two new rockets would emerge from the drawing boards: Sonda II and Sonda III. In general outline, Sonda II is typically military--it weighs 550 kilos and carries 150 kilos of high explosive to a distance of 70 kilometers.

The military version of Sonda II receive the name of X-40 and is carried on an XLF-40 armored vehicle, from which it can be fired. The vehicle is also of Brazilian manufacture.

Types similar to the X-40 are the Honest John, now being deactivated after intensive use by the United States in the wars of Korea and Vietnam, and the French R-20, which is guided by radio and is in operational use by the French Army.

In operation the military Sonda II is a powerful weapon in all aspects, as is the Sonda I, which can have a ground-to-ground version militarily known as the X-20, carrying 35 kilos of explosives up to a distance of 35 kilometers.

The Sonda III, first launched in 1977, was only considered operational in 1979 after several test firings. It then passed into military control and today can travel a distance of 800 kilometers with a load of 60 kilos of high explosive. No artillery piece can cover that distance. For Brazil with its continental size, that rocket is strategically vital.

Some phases have been concluded in the Sonda IV project, which range from the establishment of a solid fuel production policy to the aerodynamic and metal structure of the new device, which had its main engine activated for the first time in October of last year. All together the rocket has three motors, the main one for propulsion and the other two for inertial navigation (for the return to the atmosphere). All told, the government is investing \$180 million (17.2 billion cruzeiros) in a program for the construction of four remote sensing satellites which will be placed in orbit by Sonda IV by 1990.

Sonda IV, as a "VLS" [Satellite Launching Vehicle] of general use is 11 meters long, a little more than a meter in diameter and consumes 1,103 kilos of solid propellant, being able to place a useful load of 300 kilos 1,000 kilometers above the surface of the earth and could carry a little more than a ton of high explosive in its warhead, using Sonda III as a comparison. Its total weight is seven tons. It could be in use in 1984 at the Alcantara Base.

As yet there is no information about a possible military version of the Sonda IV, it being considered only a "VLS" up to now.

#### Alcantara

The city of Alcantara, recorded by the Secretariat of National Historical and Artistic Resources, has a fixed urban and rural population of 18,560 inhabitants and its population growth rate, based on the past two censuses, was practically zero.

The people are alarmed by the daily rumors about the rocket launching base. Several persons tell of periodic visits by Brigadier Hugo de Oliveira Piva to the site, making preparations for the installation of the base.

Alerted by the Federation of Rural Workers and by members of the Pastoral Land Commission, the farmers are forming into groups because they fear that claim jumpers will wrongfully receive the money coming to them as owners when it comes to expropriations and indemnifications.

For almost two years, an experimental wind-powered plant has been operating in the area, producing electricity. The area has no mountains and the climate is mild. The fastest way to go to the city, although it is located on the mainland, is by the boat which leaves daily from Sao Luis Island on a voyage of an hour and a half.

8908

CSO: 3001/229

## WAR MATERIEL INDUSTRY EXPANDING ITS PRODUCTION

Rio de Janeiro GAZETA MERCANTIL in Portuguese 24 Jul 81 pp 1,8

[Article by Jose Casado: "More Bombs and Rockets"]

[Text] The AVIBRAS Aerospace Industry S.A., a national private company which manufactures war materiel and multiple use electronic items (civilian and military), is expanding its production capacity. Pedro Angelo Vial, the company marketing manager, said to this newspaper yesterday that such expansion "is going to mean at least a tripling of our capacity in the area of bombs and rockets."

Alleging security reasons, Vial avoids quantifying the present level of production of those military articles but sources of the sector declare that AVIBRAS is equipped for producing from 40,000 to 50,000 bombs and rockets per year. Like other companies of the sector, it maintains an industrial park with a high degree of "mobilization." In barracks language this means the maintenance of a manufacturing potential which can greatly expand its operational capability within a short time if necessary.

This expansion is justified because of the increase in the volume of AVIBRAS business deals, particularly exports to the Middle East, Latin America and Africa, in the order of importance of sales. "In the last 5 years, the average increase in our sales in real terms was 100 percent," explains Vial, declining to name the main customer countries. Foreign deals are having an increasing role in the overall sales of the company. Of the \$10 million in revenues already assured for this year, the manager says that 65 percent are for export contracts. "Last year that ratio was 50 percent," he adds.

Up to now AVIBRAS is only exporting war materiel but is already seeking to diversify, arranging deals with its line of multiple-use items (weather probes and telecommunications antennas).

The mainstays of its foreign sales consist of medium-range ground-to-ground and air-to-ground rocket systems, which include the launching vehicles and associated equipment, two-ingredient and composite solid propellents and napalm and high fragmentation bombs.



To provide for the growing demand in those items, AVIBRAS is expanding its mechanical installations, where it produces the "warheads" for the rockets and does the machining of all parts, and is installing a plant for propellents and explosives in an area of 100 alqueires 20 kilometers from the main plant in Sao Jose dos Campos (SP). That plant, which will have four large arsenals strategically dispersed, will receive the operational mechanical part of the bombs and rockets and will "integrate" them with the explosives and propellants.

The greatest competitors of AVIBRAS on the foreign market, according to Vial, are still the military aid programs maintained by some industrialized countries. "The equipment is provided at a political price with which we cannot compete. However, those programs have some disadvantages for the customers: the material is generally part of the stocks manufactured during the Vietnam War; moreover, it has no warranties or even reliability," he comments.

The AVIBRAS sales strategy involves a permanent technical advisory office in client countries. It prefers to exclude intermediaries from its business deals, "at least in regions where that is possible."

One of the AVIBRAS marketing trumps abroad is the versatility of its weapons. For example, a 127-millimeter rocket suitable for large-scale operations such as the destruction of a military base, can be adapted for delivery by a U.S. F-5 fighter, which is operational in Brazil, or a Soviet MIG-23 operational in Iraq.

#### New Projects

To increase its sales, the company is now assaying a number of new projects. One of them is the production, in the short-term, of antitank and antihelicopter rockets with a range of up to 500 meters. That rocket, which will have an individual launcher (carried by personnel) derives from the "family" of 70mm rockets of AVIBRAS (the basic characteristic of that "family" is that the head of the projectiles can pierce steel armor of up to 300 millimeters thick).

In the field of bomb production (high fragmentation and napalm bombs), AVIBRAS plans are aimed at the manufacture of 500 kilogram bombs--double the destructive power of those now sold by the company. There is also a medium-range (40 to 60 km) missile program.

8908

CSO: 3001/229

## BRIEFS

DEALS IN SOUTHEAST ASIA--Military chiefs of Southeast Asia (Malaysia, Singapore, Indonesia, Thailand and the Philippines) are already accustomed to meeting with Brazilian arms vendors. At least two national companies maintain permanent representatives in the region, which after the Middle East and Africa appears to be the most promising due to the increasing militarization of those nations because of the threat of invasion by Vietnam. "Brazil already competes under excellent conditions with the Europeans and Americans," declared a representative of one of the companies involved in that market last May. During the visit by the first economic mission to Southeast Asia organized by Itamaraty, Asian authorities were unsparing in their praise for Brazilian weapons. [Text] [Rio de Janeiro GAZETA MERCANTIL in Portuguese 24 Jul 81 p 8] 8908

OAB COMMITTEE ON ANTARCTIC--Porto Alegre--With the ultimate objective of including in the constitution Brazil's right to a part of Antarctica, the Rio Grande do Sul section of the OAB [Brazilian Bar Association] has established a special commission to study the matter and hold a conference in September on the Antarctic region. Authorities from the Brazilian Armed Forces and national and international experts will be invited to the conference. The commission is headed by attorney Betty Borges Fortes, one of the country's leading experts on international law, the originator of the idea, and the main advocate of adopting the 200-mile territorial limit at sea. The purpose of the conference on Antarctica is to lay the legal foundations for Brazil's rights over part of the region. One member of the commission--Pericles Azambuja, who is a member of the Brazilian Institute for Antarctic Studies--expressed surprise at the lack of interest on the part of the Brazilian Government, which did not participate in the recent Buenos Aires meeting on the subject. [Text] [Rio de Janeiro JORNAL DO BRASIL in Portuguese 10 Aug 81 p 4] 11798

CSO: 3001/234

## NATIONAL ASSEMBLY SUPPORTS SUPREME SOVIET APPEAL ON ARMS RACE

Havana GRANMA in Spanish 26 Jun 81 p 1

[Text of Resolution by Cuban National Assembly Supporting USSR Supreme Soviet Appeal on Armaments Race, issued in Havana on 25 June 1981]

[Text] The National Assembly of the People's Government of Cuba, meeting in its first ordinary session of 1981, expresses firm and resolute support for the appeal made by the USSR Supreme Soviet to all parliaments and nations of the world in connection with the critical international situation which has become more acute due to the dangerous stepping up of the arms race.

At various national and international forums, Cuba has explained its stance on and concern for the problems of war and peace. The struggle for peace is, without question, that most urgent, unavoidable and decisive task of our times. The ones who oppose that struggle and try to slow down the process of detente, by encouraging a return to the cold war, are the imperialists, the sworn enemies of the peoples.

Our people, who for more than 20 years have suffered in their own flesh the consequences of the cruel economic blockade and all kinds of acts of aggression inspired by U.S. imperialism, are in full solidarity with the worldwide call to resume negotiations on a limitation of the arms race. Never has the battle for peace been more necessary than now when weapons have reached such power of destruction and when the danger of mankind being exterminated is potentially greater. Cuba will never accept the idea that mankind is inexorably threatened by the disaster of a world holocaust.

The insecurity now hanging over Europe as a result of the program to deploy U.S. nuclear missiles in NATO countries also affects other areas of the world. The Indian Ocean, the Middle East, the Persian Gulf are serious hotbeds of conflict and, hence, serious threats to peace.

Nor has our continent escaped from that state of tension which is aggravated beyond measure by the aggressive policy of interference followed in the region by U.S. imperialism which has turned the area of Central America and the Caribbean into its new strategic target trying to stifle the legitimate struggle of the people for self-determination, sovereignty and territorial integrity.

Peace is essential to the fight for progress since to fight for peace amounts to fighting for progress and involves the eradication of deep inequalities which still exist as a result of colonialist and neocolonialist domination, racial discrimination,

racism, Zionism and apartheid. Efforts being made to establish a new international economic order which will be just and equitable are hindered by the policy of war and by the deterioration of the process of detente.

As stated by Commander in Chief Fidel Castro, president of the Council of State and Council of Ministers, in his closing address to the World Peace Council presidential session in Havana last April, "today's world must turn toward an urgently needed period of international cooperation if we really want to improve the living standards of the people, lift most of mankind out of their state of underdevelopment and protect international peace."

[Issued in] Havana City, 25 June 1981  
"Year of the 20th Anniversary of Giron"

8796  
CSO: 3010/1642

## MILIAN CALLS FOR INCREASED AGRICULTURAL PRODUCTIVITY

Havana TRABAJADORES in Spanish 9 Jun 81 p 4

[Speech by Arnaldo Milian Castro, member of the Politburo and minister of agriculture, at the Third Congress of the National Union of Agricultural and Forestry Workers; date not given]

[Text] Comrades:

First of all, I should like to extend to the delegates at this Third Congress and the officials of the National Union of Agricultural and Forestry Workers (SNTAF) warm greetings from our ministry. We are confident that the decisions and resolutions of this great assembly of the men and women who cultivate the land in order to produce our people's food will constitute a valuable contribution to the effort of improving farm production until it is an efficient activity of our economy.

No one can question the significant work that the union has done in order to achieve the main goals and objectives of our ministry in all fields or the major role played by trade union organizations in attaining higher levels of production, fighting to improve agricultural yields through the proper application of better growing techniques, and moving steadily forward in other branches of farm production.

Of special relevance among the tasks performed by the trade union organization is the work done to raise the cultural level of the workers and to organize our labor resources. It has been constantly concerned with improving the living and working conditions of the farm worker, which has contributed to the gradual transformation taking place in agriculture.

As one delegate to this congress has said, cultural improvement must be completed by the technical improvement of the workers. For this purpose, the engineers and other university-level technicians working in the enterprises and the ministry's agencies can plan practical short courses on those activities involving workers and in coordination with the union, organize a program of technical training, without in any way encroaching upon the work of the training schools which the ministry now has or others that we must organize.

The boost which the union gives to the relationship between men and their work area as a means of organizing the labor force and thereby improve productivity and use our labor resources efficiently has already shown positive results: a major



reduction in manpower used on arable land, from 6.63 to 2.45 men per caballeria [1 caballeria = 33.2 acres], which also makes it possible to shift part of the labor force to the enterprises and help develop new areas of production.

Measures aimed at improving job safety and protecting the workers have the strong support of the union and administrative officials, which has made it possible for us to reduce the number of accidents on the job, with the resultant effect they have on the health of our workers and the progress of our economy.

#### Emulation

All these tasks have become slogans for trade union work, direct objectives of the socialist emulation that daily grows stronger and develops in all areas of our work, stimulated by the consistent and enthusiastic activity of the trade union and the administration, which makes it an indispensable element for the execution of the plans and goals proposed by our ministry. If we are to achieve the objectives set forth for agriculture this year and in the future years of this 5-year period, approved by the accords of our party's Second Congress, the socialist emulation must be a driving force for all our activities and have the determined support of the administration and the active, enthusiastic participation of our workers. We must work relentlessly to make emulation a common task of the union and the administration, for only in this way can it enable every worker to make the maximum effort to carry out his responsibilities and effectively combine his individual interests with the interests of all society.

Now then, progress achieved so far only indicates that we are in a position to begin the march down the path of developing agricultural production until it is on the level required by the socialist society we are building.

The socialist transformation of agriculture is a necessary condition for arriving at the socialist phase of the communist society and for our country, whose main source of resources is precisely agriculture. Achieving that transformation within the shortest amount of time is a task of prime importance.

We basically live off the resources that the land provides and we are a small country with a limited amount of arable land.

Comrade Fidel has repeatedly referred to this topic, to the need to make maximum use of our land, given the undeniable fact that land is a natural resource that does not expand and that our people, whose life expectancy is constantly increasing thanks to progress achieved by the Revolution in the field of health and living conditions, will witness a steadily expanding population.

According to information supplied by our ministry's Directorate of Soils and Fertilizer, we have a potential of about 5.8 to 6.3 million hectares of farmland, which represents a per capita figure of .64 hectare. If we consider that over 2 million hectares are used for export products -- indispensable sources of foreign exchange for our economy, such as sugar cane, citrus crops, tobacco, coffee and other items -- then the amount of land that we can use to produce food consumed directly or industrialized for the population, such as grain, rice, tubers, produce, some fruit, meat and milk, drops to only 4 million hectares, which gives us a per capita figure of .41 hectare, which may be reduced to only .31 hectare. By the year 2000,

if we take into consideration the predictions of population growth made by specialized organizations based on comparisons with world indexes, we would be one of the countries with the smallest amount of farmland per person in the world.

### High Yields

These facts objectively demonstrate the need for a great intensification of farm production, the need to embark upon an accelerated process to achieve high yields per caballeria in all crops and high productivity from livestock. All our efforts must be aimed at attaining a high scientific and technical level making it possible to apply modern techniques in all agricultural enterprises so that at the same time we extract the greatest quantity of products from the land we cultivate, we shall also maintain the potential of our soil.

The fight for high yields in farm production is also a fight between principles, the principles on which socialist production and capitalist production are based. Socialism is a social system superior to capitalism and socialist agriculture must demonstrate that that agricultural production which is developed on the basis of social ownership of the means of production and which has the conscious participation of workers, who are now free of all exploitation, is superior to capitalist agriculture, a means of exploitation and enrichment for the landowning bourgeoisie or small farms where it is not possible to apply the advances of science and technology.

We are not a country that can aspire to a level of industrial development that will allow us to compete with the countries of the developed world. This is understandable. However, we are an agricultural country and we have the duty, the obligation, to arrive at a type of agriculture capable of competing with the agriculture of the most developed countries.

We shall not be the best producers of electronics, automobiles or industrial machinery and equipment, but we have to be the best producers of vegetables, the best producers of tubers, the best producers of rice, eggs, meat, milk and fruit. We have to be an example and we have the conditions to do so!

Already in some areas we have achieved yields as high as those of the best capitalist producers. In some provinces, we have managed to produce up to 260 eggs per layer and in others, we are achieving potato yields of nearly 8,000 quintals per caballeria. We are trying to create varieties of tomatoes guaranteeing yields of over 10,000 quintals per caballeria and we shall not cease in our effort to seek the best varieties, to apply the best growing techniques, to arrive at the proper density of planting, expand irrigation systems and technically train our upper-level personnel and workers until we guarantee that our agriculture is an example of productive efficiency and make it capable of competing with the most productive capitalist country. Some of these objectives will soon be achieved; others will take longer, but they will all be attained.

### Making Enterprises Profitable

Indissolubly linked to this objective is the fight to make our enterprises profitable. It is not merely a matter of producing constantly more on a smaller area of land, but rather, of doing so at a lower cost also. Here we are still inefficient.

It still generally costs us more to produce something than what the enterprise gets for it. The government still spends more on agricultural production than what that production brings in. There are mainly organizational-type factors that have a negative impact on production costs and these must be eradicated. The fight to minimize the amount of unproductive personnel on enterprise staffs in order that wages will not burden the costs of productivity activity; the fight for rational use of farm machinery based on its maximum operation; a reduction in excessive spending in worker cafeterias; the elimination of all expenditures that have a negative effect on production costs; and a consistent policy of saving on the material resources invested in every activity: These, along with the fight for high yields, constitute the fundamental objective of our work and they must become the principal tasks of trade union organizations.

We are working to establish model enterprises, enterprises where, by means of a rigorous analysis of expenditures, we shall manage to determine which ones are indispensable, enterprises where we have adopted all the organizational measures making it possible to achieve high levels of production at the lowest possible cost. In this way, we shall be able to extend these experiments to the rest of our enterprises until they are all profitable. This was heavily emphasized at this Third Congress.

This policy in the national sector of our agriculture is tied to the fraternal emulation that emerges from and is consolidated between our enterprises and the agricultural cooperatives.

One cannot conceive of the development of our agriculture if, at the same time the enterprises and their management are strengthened, the cooperative movement is not also strengthened and developed. That formidable movement of our small farmers is rising to higher forms of production, strictly respecting the principle of the voluntary cooperation of our farmers, under the wise guidance of ANAP [National Association of Small Farmers], our party and the stimulus of the personal attention of Comrade Fidel to this important task.

Our ministry has a continuing responsibility, along with ANAP, for the task of setting up the Agricultural and Livestock Cooperatives (CPA) and for developing them. In their development, it finds a place for emulation for production efficiency, which must undeniably be turned into a matter of honor for our enterprises.

This year, we shall begin the administrative evaluation of enterprises in order to determine which ones are doing outstanding work on the basis of fundamental indicators of economic activity. We shall evaluate our enterprises and territorial delegations based on production costs, levels of output and productivity, the extent to which they carry out planting plans and the production levels achieved. The union has made this task its own and in complete identification with these objectives, has incorporated into its emulation plans the criterion that in order for an enterprise to be chosen as a vanguard of socialist emulation in our sector, it must be profitable. This very fact will undoubtedly help us achieve the goal. Already this year, it is certain that many Ministry of Agriculture enterprises will be profitable.

## Creative Initiative

### Comrades:

The ideas that we put before you are the fundamental lines of the ministry's work for this year and the coming years. In order to make them a reality, we have to work hard, using truly revolutionary methods. There will be no place for bureaucracy, conformism, mechanical attitudes, boredom or pessimism, manifestations that are foreign to the revolutionary spirit in taking up our tasks.

Let us use all the creative initiative of the working masses! Let us further our research! Let us see that every agricultural technician shows a constant desire to learn, the desire that motivates man in the search for ever higher methods of work. Then we shall have new varieties and new production techniques that are constantly more efficient!

These ideas cannot be taken as mere mottos; they have to have the extraordinary strength imprinted upon them by the practical activity of every worker, every technician, every official, so that they will become a reality. They must be in all our minds until we successfully achieve them.

We have countless problems to solve with farm machinery, not only with its more rational use, but also, its improvement. We must constantly search for implements suited to the characteristics of our crops in order that the machines we use will be more productive. We even need new machinery that will permit increasing mechanization of our agriculture. We need to manufacture and recover spare parts for farm machinery on a larger scale, which would make it possible to reduce imports of these elements and ensure us of a supply of parts so that our equipment will be in top operating condition.

The response to these needs on the part of the workers in our workshops and our inventors and rationalizers can only be called marvelous. Only a few days ago they celebrated their first national assembly and exhibited a range of machinery, implements and spare parts that are a proof of the creative initiative and revolutionary spirit driving our workers, which makes them worthy of our gratitude and congratulations for their meritorious labor.

In order to achieve all of this, it is important that the organizational mechanisms used by the administration and the trade union in the development and supervision of tasks, linking us together in the common objective of achieving greater efficiency in agricultural production, be ever better.

If the union is concerned and worries about production problems so that production will be constantly more efficient, our administration must see that the trade union improves and achieves higher levels of organization so that it will be much more efficient than what it is today. We have the duty to contribute to this effort, for if we managed to have a truly efficient administration and union, there will be no task, however difficult, that we cannot manage.

### Production Assembly

Production assemblies must become activities ensuring the democratic participation of workers in the tasks of administering production and the ideal framework in



which the administration may report to them on the management of the enterprises, hear the masses' opinions, their concerns, suggestions and initiatives, allowing this fruitful exchange to advance agricultural production.

Equally important is greater attention to strengthening the role of collective labor contracts. The collective labor contract is the element governing relations between the union and the administration. It is the document which, based on the establishment of duties and rights of the administration and workers, makes it possible to carry out the tasks which both must undertake to attain the normal operation of any economic entity.

Responsibility and not formality must be the model guiding the drafting of the collective contract and its systematic inspection and adoption of measures tending to guarantee its effective compliance, the elements ensuring its existence as a regulatory document complementing the guiding activity of the economic plan of the socialist enterprise.

Comrades:

We have great tasks before us. We are practically taking the first steps toward their completion, but we are optimistic about the fighting spirit and revolutionary attitude with which our workers and upper-level personnel face them, about the awareness of the need to be economically efficient that is beginning to be manifested in all our enterprises with the support of the union organizations.

These tasks will have to be completed in phases, taking firm steps every year. As Comrade Fidel recently said in Valle de Caujeri, where he emphasized the praiseworthy work done by ANAP, of all these years of fruitful revolutionary work, we have this year the possibility of achieving the highest production in our history in over ten areas of farm production. In this 5-year period, we must see that a caballeria of land produces no less than 10,000 quintals of tubers and produce.

This would definitely mean making more food available to our people and it would be one more step in the consolidation of our efforts to increase production.

We value highly the work of our union on behalf of these objectives and believe that this congress will make an extraordinary contribution to their achievement.

This congress performs its work under the sign of the two main tasks set by Fidel and our party for everyone. It works for victory, with a spirit of victory, for production and for defense, and for that reason, comrades, we are certain that this will be a victorious congress.

Long live the agricultural and forestry workers! Long live the worker-farmer alliance! Long live proletarian internationalism! Long live Fidel! Fatherland or death! We shall overcome!

11,464  
CSO: 3010/1682



## COMMENTATORS ATTACK U.S. FOREIGN POLICY MOVES

## Anticommunism, Cold War

Havana GRANMA in Spanish 15 Jul 81 p 2

[Article by Roberto Alvarez Quinones: "The Anticommunist Primitivism of the New Yankee 'Cold War'"]

[Text] Judging by events, the current American administration's frenzied anticommunist propaganda, out of phase in time and space, is attempting to turn back the clock and magically put the world back into the most primitive "cold war" period of the post-war era.

Washington's superhawks, who have been on top since the new administration took power, are attempting conjuring tricks with the almanac to go back to March 1947, when the troglodyte Harry Truman proclaimed his doctrine of "containing communism" and officially began the age of atomic blackmail, witch-hunts, the most brazen and ridiculous anti-Sovietism which characterized Yankee policy from the end of the 1940's to the beginnings of the 1960's.

The most eminent leaders of the new administration begin with the highly original reasoning that the "cold war" has never ended, and that therefore the coarsest anti-Sovietism and anticommunism should be at the heart of United States foreign policy.

And in order to carry out this strategy they argue that "the United States must once again have clear military superiority over the Soviet Union," as Ronald Reagan said on 18 February 1981. That strategy is very clearly outlined in the Republican Party platform, which states that U.S. foreign policy will be based upon "containment of communism" and "strength," while specifying that in order to achieve that, "military and technological supremacy over the Soviet Union must be achieved."

After blaming the Carter administration for the "military decline" of the United States, the Republican platform affirms that the Reagan government "will strive for rapid modernization of our armed forces." And it adds with all brazenness: "In addition, strategy must foresee military actions at all points of possible Soviet vulnerability, as an expression of the classic doctrine of world control."

And it adds, "The Republicans will embark on an urgent effort to rebuild the intelligence agencies, and to give full support to their renowned and dedicated personnel. We will introduce legislation that will permit intelligence officers and their agents to operate safely and effectively abroad."

"In other words, the Republican administration will grant even more power and impunity to the CIA and their spies and henchmen, so they can commit more crimes and villainies on the world level, just as in the good old days of the "cold war," but with many more technical resources.

In fact, when the shape, actions, and plans of the present North American government are evaluated even superficially, the first thing one notices is their extraordinary primitivism, their anachronistic and simplistic thinking, under the common denominator of aberrant and morbid anticommunism that is beginning to alarm not a few Western political observers.

In this regard, for example, American analyst William M. LeoGrande of American University in Washington, D. C., has noted that "In foreign as well as domestic policy, Reagan offers simple solutions to complex problems. He routinely blames adversity abroad on Soviet conspiracy, suggesting that a hard line against the Soviet Union will be enough to recover the world hegemony enjoyed by the United States during the 1950's."

Remarking that during his electoral campaign Reagan used a great deal of rhetoric about a supposed "Soviet threat" and "said virtually nothing on the subjects of North and South, the growing nonaligned nations movement, or the new international economic order," Professor LeoGrande notes that Reagan "believes that political unrest is invariably the product of foreign subversion and not intolerable living conditions."

The former campaign director for the new U.S. president, John Sears, referring to Reagan's notion of world reality, told the NEW YORK TIMES that "there is a generation gap between what Reagan thinks he knows about the world and actual fact. His is a 1950's kind of world. He sees the world in black and white."

Or rather, just as John Foster Dulles saw it in the 1950's, now a government is "good" or "bad" according to its attitude toward the USSR. The new Yankee government team does not even tolerate the so-called ideological pluralism. As far as the present administration is concerned, the governments willing to join the "crusade against communism" will be treated as friends and those which do not allow themselves to be carried away by such provocation will be treated as enemies. Thus any country that mainly has cordial relations with Lenin's fatherland or another socialist country will be declared "adversary" of the U.S., with the resulting punishments of harassment, elimination of credits or "aid," pressure and direct attempts to distrust the stability of such independent governments.

Therefore, within the framework of this political primitivism, Washington supplies money, arms, and "advisors" to the genocidal pack of El Salvador; it harasses, obstructs, and trains mercenaries to send against the revolution in Nicaragua, threatens Grenada, increases military and economic support to Pinochet and all the tyrannical regimes of Latin America, Asia, and Africa.

Therefore, more than ever before the CIA is the main instrument for conducting U.S. foreign policy. Reagan, like national security advisor Richard Allen, Alexander Haig and William Casey, director of that terrorist organization, has stated publicly that CIA covert operations will be increased. It should be recalled that Haig was one of the architects of the CIA covert action program against the government of Salvador Allende.

This anticommunist primitivism is extremely dangerous. Playing at war and the bluster of former times is highly irresponsible, with the fantastic power of nuclear destruction that exists today. Apparently the Yankee administration has not noticed that the era of "putting fear into everyone", acting as international policeman and imposing Washington's will by force is past.

Anticommunism, anti-Sovietism, fomenting counterrevolution, and suppressing any revolutionary movement that may exist, are still the backbone of North American world forces, the increase in national liberation movements, and so forth, the Yankee government teams for the last 20 years have been forced to adopt less arbitrary and primitive tactics, tactics which are more pragmatic for the North American empire's interests.

It would not occur to any serious politician in the United States to blame any popular protest against social injustice on phantom "international communism maneuvers."

But now, counter to historical reality, less than two decades before the year 2000, the team that has come to power in Washington is trying to "recover" the hegemony the United States held in the world for years, when the general crisis of capitalism was not advanced so far and the new world of socialism and of people emancipated from the colonial and imperialist system were not so strong and numerous.

It must be remembered, as William M. LeoGrande has cautioned with regard to Latin America, that "it is no longer possible for the cowboy in the white hat to ride his horse to the top of San Juan Hill and make the hemisphere follow the United States. Too many things have changed since the days when the gunboats and the dollars were a suitable basis for United States diplomacy."

#### Arms Race

Havana GRANMA in Spanish 17 Jul 81 p 2

[Article by Jose Benitez: "Arms, 'Marathon' of Yankee Imperialism"]

[Text] Once Albert Einstein was asked his opinion of what the most deadly weapon in the third world war might be, and the wise man replied, "I do not know, but in the fourth world war, it will be the stone ax." Einstein's answer expresses one of the great paradoxes of our times, which is the existence of an uncontrolled arms race and a fabulous arsenal of nuclear weapons, on the one hand, and, on the other, the uselessness to mankind of that arms race and arsenal of nuclear weapons.

During the last decade the existence of nuclear weapons has increased so much that with what has been stockpiled at the present time, mankind could be exterminated 15 times over. The explosive power of all the nuclear weapons on earth distributed among the 4 billion inhabitants of the planet is equal to 4 tons of dynamite per person.

Nonetheless, there are people in the world--mostly in the United States--who encourage and applaud the growth of the arms race and who even consider the "limited use" of nuclear weapons "beneficial." On the North American list are military men and politicians, businessmen, Republican and Democratic senators and representatives, bankers and investors, economists and philosophers, and even clergy.

For example, a few years ago one pictured Monsignor Philip Hannan, bishop of Washington, D. C., reading this Sermon on the Mount or the Beatitudes in his diocese in the American capital; one pictured him offering the body and blood of Christ in the form of bread and wine; one pictured him saying the catachumen's mass. But I know that the prelate appeared once in Rome and in the midst of the 1964 Ecumenical Council argued the position that nuclear weapons "may have limited use."

Of course it is not the church or the poor and discriminated of the world, or the North American people and mankind in general who profit from the arms race and the stockpiling of atomic bombs. Not even the United States, which began the arms race, gains any political, military, or strategic advantages from it.

The consortiums and businesses that make up the military-industrial complex of North American imperialism are the ones who profit most from the arms race and stockpiling nuclear weapons.

In the first volume of CAPITAL, Marx includes a quote from the English magazine QUARTERLY REVIEW which seems to have been written for the great consortiums of the American military-industrial complex of our times:

"Capital abhors the absence of profit, or of too small a profit, just as nature abhors a vacuum.

"As profit rises, capital becomes bolder. Assure it 10 percent, and it will go anywhere; 20 percent, and it will be encouraged; 50 percent, and it will be positively reckless; at 100 percent, it is capable of surmounting all human laws; 300 percent, and there is no crime it will not risk, even though it faces the gallows."

A group of five large monopolies--Lockhead, General Electric, General Dynamics, McDonnell Douglas, and United Technologies--fill a quarter of all the Pentagon contracts, and 25 consortiums share half of all the American government contracts, including Rockwell Corporation, Boeing, Grumman Aircraft, Northrop, Hughes Aircraft, Litton Industries, Westinghouse Electric, Ford Motor Company, General Motors, Kaiser Industries, and Radio Corporation of America.

Arms race ideologues have even formulated a so-called "theory" which states that weapons production contributes to the prosperity of society, and increased military spending means expansion of the war industry and creation of new jobs.

However, the International Labor Organization has determined that billions of dollars invested in increased military production could create 32,000 jobs, but that that investment in the civilian sector would create between 80,000 and 150,000 jobs.

In the first Regional Meeting of Nongovernmental Organizations on Disarmament, organized in Mexico by the United Nations, that country's permanent representative on the UN Disarmament Committee, Alfonso Garcia, revealed that during 1980, "world military expenditures were about \$500 billion, and this year they will be over \$600 billion."

That is not science fiction, but reality in a world in which millions of human beings do not have the basics for survival; a world in which over 40 million people starve to death every year; a world in which 500 million children suffer from malnutrition



and disease; a world in which about 1.5 billion men, women and children do not receive medical care; a world with 800 million illiterates and a deficit of 300 million houses.

In this world, the price of a North American nuclear submarine could build 1,800 hospitals with over a million beds, and what the United States invests in building a nuclear aircraft carrier could build 4,000 schools for 2.5 million children.

The fabulous resources which the arms race consumes and squanders, if invested in the civilian sector, could raise the level of personal consumption of goods and services, increase production capacity, encourage housing construction, and eliminate the slums and marginal housing in the large capitalist cities, and improve education or bring it to where it does not exist at this time.

In 1980, with the resources invested in the arms race, 800,000 schools for nearly 500 million children could have been built, or 50 million houses for 250 million people could have been built, or about 30,000 factories opened giving jobs to over 30 million men, or 250 million hectares of land could have been prepared for irrigation, which, given an adequate level of technology, could feed over 1.5 billion people.

Modern man, and mankind in general, has before him three vital and closely linked goals; peace, disarmament, and development.

The three are threatened by North American imperialism's policy, which encourages the arms race, disturbs world peace, and blocks the socioeconomic development of two-thirds of mankind.

A policy which, it has been charged, seems to say "arm yourselves each against the others."

8587

CSO: 3010/1687



MONTANE RECEIVES VISITING FOREIGN DELEGATIONS

Japanese Parliamentarians

Havana GRANMA in Spanish 30 Jun 81 p 3

[Text] Jesus Montane, alternate member of the Politburo of our Communist Party, member of the Secretariat and chief of the General Department of Foreign Relations, received a Japanese parliamentary delegation which is visiting our country and is headed by Haruo Okada, vice president of the House of Representatives in the Japanese Diet.

A cordial and friendly atmosphere prevailed during their exchange of impressions on matters of mutual interest.

The parliamentary delegation also included deputies Hironori Inome, Yoshikazu Kitagawa, Seiichi Kataoka, Mikio Abe and Toyohiko Mizuhira and was accompanied by the Japanese ambassador to our country, M. Tsukamoto.

Also attending, on the Cuban side, were officials from the General Department of Foreign Relations, from the National Assembly and from the Ministry of Foreign Relations.

Meeting With Roa

Raul Roa, acting president of the National Assembly of the People's Government, also received the Japanese parliamentary delegation headed by Haruo Okada.

The meeting took place in a cordial atmosphere and there was an exchange of views on various subjects of mutual interest, especially on bilateral relations between the two institutions which they represent.

The Japanese delegation has a wide program of meetings with a number of Cuban officials who are responsible for various aspects of bilateral relations between the two countries.

Portuguese Communists

Havana GRANMA in Spanish 30 Jun 81 p 3

[Text] Jesus Montane, alternate member of the Politburo and member of the Secretariat, had a fraternal meeting with Antonio Gervasio, member of the Politburo of the Portuguese Communist Party, who is in our country with his wife in answer to an invitation issued by the party Central Committee in the context of a program of exchanges and cooperation between the two parties.

During the meeting, which took place yesterday morning at the Central Committee headquarters, the two leading officials exchanged details about the main tasks carried out by their parties and discussed other topics concerning the national and international scenes. Later, the visiting delegation met with Juan Jose Leon, alternate member of the Central Committee and vice president of ANAP [National Association of Small Farmers].

Earlier, Arnaldo Milian, member of our party Politburo, had a friendly meeting with Comrade Gervasio and his wife.

While in our country, the delegation has visited Matanzas and Camaguey provinces, touring places of economic, historic and social interest and had talks with Esteban Lazo and Luis Rodriguez, alternate members of the Central Committee and, respectively, first and second secretaries of the above mentioned provinces.

8796

CSO: 3010/1647

## HAVANA SCORES PINOCHET'S REGIME, U.S. SUPPORT

## U.S. Friend

Havana GRANMA in Spanish 15 Jun 81 p 6

[Article by Juan Marrero: "His Yankee Master Pays Attention to Him and Flatters Him"]

[Text] Lately, Pinochet has been jubilant. His happiness flows with the same abundance as the blood shed by his criminal hands. And the reason is that Yankee imperialists are paying attention to him and flattering him again, openly and without making any secret of it. Any fascist like Pinochet loves that sort of gesture, particularly when made by those despicable people who helped him to become the ruler of Chile and who never stopped nurturing him although at times they had to do it in secret to avoid world criticism. As everybody knows, the new U.S. administration has dropped the fig leaf of its propaganda campaign on human rights and has proclaimed that friends of the United States are friends of the United States no matter how bloodthirsty, criminal, crooked or vile they may be. This is an old imperialist philosophy, so old that several decades ago a president in Washington brazenly said referring to Somoza, the Nicaraguan tyrant, that he was "an SOB, but he is our SOB." And Pinochet is happy to see that this philosophy is now in full force. Rene Rojas Galames, the Chilean fascist foreign minister, is now in Washington. He brought in his briefcase a message from Pinochet to the U.S. administration in which the former expresses, according to the AP, "his satisfaction with the obvious progress made in Chilean-U.S. relations since Reagan came to power." Some of the key figures of the Washington administration have met with the fascist foreign minister. He met with Vice President George Bush, with Secretary of State Alexander Haig, with Jean Kirkpatrick, ambassador to the United Nations, with Frank Carlucci, deputy secretary of defense and former CIA director; with Republican Senators Howard Baker, Charles Percy, Mark Hatfield and Jesse Helms and many officials from the State Department. The Yankee news agencies, which gave wide coverage to the visit, mention the cordial atmosphere during these meetings while they try to make public opinion believe that "economic progress and institutional changes have taken place" in Chile. Also mentioned are the plans to repeal an amendment adopted by the American Senate in 1976 that prohibited providing military assistance to the Pinochet regime. Pinochet has cause to be happy for the same reason that a few weeks ago the racists of South Africa were also pleased. It is true that the people reject Pinochet but his master pays attention to him and flatters him. A fascist needs these kinds of things to be happy.

## People Not Dominated

Havana GRANMA in Spanish 26 Jun 81 p 6

[Article by Luis M. Saez: "Pinochet Does Not Really Dominate the Chilean People"]

[Text] Just a few months after Pinochet was "crowned" president of the republic, the Chilean resistance has spoken again in a convincing manner.

Last Monday, commandos of the Popular Resistance Militias (MRP) carried out three perfectly synchronized operations, two attacks against police stations and a holdup in a branch of the State Bank where they recovered \$75,000. During the clashes, in which four agents of the fascist junta, including an officer, were killed and three others injured, the revolutionaries demonstrated a perfect organization and displayed weapons which have got the military who work for Pinochet even more scared than usual.

Submachine guns and bazookas were used during the operations in which the commandos first launched an attack against a station of plain clothes policemen and later turned against a unit of carabineers (paramilitary police).

Commenting on the operations, the daily newspaper LA SEGUNDA described them as "terrifying" and "murderous" and claimed to be appalled to see "a real extremist army of about 60 subversive elements who carried submachine guns, weapons of the type used in wars, grenades and bombs."

But what is happening in Chile if not a war against the fascist dictatorship? One could ask the surprised writer of LA SEGUNDA.

Chile has been subjected to fascist terrorism for almost 8 years. Murderous reprisals and countless disappearances have marked the road followed by the junta during that time.

In a communique released to the news media in Santiago, Chile, the commandos said that "the attacks against the police and detectives (plain clothes police) stations were a retaliation on the part of the popular resistance against the policy of repression followed by the dictatorship."

Undoubtedly, Pinochet has not dominated the Chilean people.

With this operation, one of the most convincing in recent months, the Chilean revolutionaries have just broken the wall of silence built around the resistance movement in Chile and they did it in the only way that draws people's attention--with weapons in their hands.

The communique also points out that "operations like the present one to fight repression will continue to take place as long as repression is used in the country against the people and as long as human rights are not observed."

This revolutionary operation comes on top of other actions which started in September when other banking institutions were held up, luxury nightclubs for the entertainment of the bourgeoisie were burnt down, and attacks were launched against police stations and offices of the CNI (National Intelligence Headquarters), as corrupt and terrifying as its predecessor DINA (National Intelligence Department).

It is very difficult to predict what the future holds in store for Chile but a document circulated by the MRP points out that "all the money will be used to finance the political and military activities of the popular resistance."

Indeed, Pinochet has not dominated the Chilean people.

8796

CSO: 3010/1642



## COLOMBIAN AMNESTY FOR REVOLUTIONARIES RIDICULED

Havana JUVENTUD REBELDE in Spanish 1 Jul 81 p 4

[Article by Jesus Suarez Moreno: "Colombia, Shameful Amnesty"]

[Text] The Colombian military, which is the same as saying the real power in that country, has recognized that the so-called institutional amnesty law is not working and that its failure seems inevitable "unless the guerrillas "take refuge in it at the eleventh hour."

This is a useless hope of the minister of defense, General Luis Carlos Camacho Leyva, the hero of the above statement. As a well known Latin saying goes, even he himself does not believe what he said.

And if there were doubts about the truth, Camacho Leyva himself, perhaps very much to his regret, took charge of dispelling them when he stated the following: "The failure of the amnesty will not be the fault of the government, but of those who did not accept it."

What a clumsy and contemptible political maneuver it is to attribute to others one's own mistakes and which, all things considered, is useless because at the present time there is no sensible person in Colombia or abroad who believes in the validity and fairness of an amnesty project that was dead practically at birth. It never existed.

#### Background

It was all somewhat like a kind of magic trick or trick by fraud with which Turbay Ayala's government tried to present itself as a guarantor of social peace and restorer of the very democracy that, paradoxically, it had brought to a crisis.

This "dirty trick" by the military and Turbay, which is clear today, confused some at the beginning. They tried to reverse the situation and show the movements of armed resistance as stubborn elements opposed to a national dialogue.

Nothing is further from the truth. The objective they pursued at any price was to search for a pretext to legitimize and to institutionalize the violence and repression that is daily exercised against the people.

We must note, moreover, that the moment at which the offer of amnesty occurred and the call for a dialogue from the Turbay government was exactly when the name of Colombia was--and is--associated internationally with a genuine wave of accusations and testimony about torture and other violations of human rights in this country, combined with a perspective of growing domestic dissatisfaction among the people because of the economic and social picture.

The takeover of the Dominican Republic Embassy in Bogota by M-19 brought to a climax the disclosures about "the other face of what is called Colombian democracy." Such is the daily business of a nation that proclaims itself a representative democracy, despite having lived for the last three decades under a permanent state of siege and where hundreds of political prisoners remain in jail, periodically subjected to swift councils of war and deprived of any kind of legal safeguards.

But there is more.

President Turbay, with the support of publicity furnished by the national bourgeois press organs, credited himself with the "dialogue" initiative when it was M-19 who first expressed this plan and then repeated it by proposing the meeting in Panama between the government and various political forces that were pleading for an agreement to face the crisis in Colombian society.

The response of the Chief Executive at that time was categorical: "he would not debate with common criminals" and he went ahead to order a new raid against M-19. Such were Turbay's proposals for a dialogue, very closely tied to his party's re-election aims.

The statements and deeds of the Colombian president perfectly fit in with the favorite slogan of his war minister, Camacho Leyva, when he mentions the guerrillas: "They will surrender or we will destroy them."

And thus it is not strange that the spirit of the Amnesty Decree should conform to the letter to the above idea.

The insurrectionary movements are asked to lay down their arms, without any guarantees. In addition, the law excludes political prisoners already convicted and those awaiting trial. All of this would help only the opposition parties recognized by the government.

This is the best proof of Turbay Ayala's "generosity": to demand from the armed groups an unconditional and humiliating surrender, thus betraying a people who have been left with no other choice but to brandish their guns to assert their rights, which have been denied by the oligarchic and pro-imperialist sectors, propped up by the armed forces.

Peace under force seems to be the motto of the Colombian generals, who months ago mounted in the Caqueta region one of the biggest military operations remembered in Colombia, as if to reaffirm their good intentions.

This is what the government's promises of pacifist dialogue have been reduced to; they are unfulfilled, as happened in the discussions with the union head offices, where there was a lot of talk and everything remained the same: salaries frozen and prices constantly rising.

Or the dialogue with the university professors that resulted in the present closing of six universities, or with the school teachers or the dockworkers, who have no other option except the strike, as well as the political prisoners, who last week carried out a 72 hour hunger strike to demand safeguards in their trials.

The examples are plentiful.

The time period fixed for the so-called amnesty law for the guerrillas to lay down their arms and to avail themselves of the decree expires in a month.

But it is not necessary to wait so long. Minister Camacho Leyva foresaw the answer: the battle will continue, with or without amnesty.

9545

CSO: 3010/1686

## SALVADORAN GOVERNMENT CRISIS DESCRIBED

Havana GRANMA in Spanish 13 Jul 81 p 6

[Article by Luis M. Arce: "The Salvadoran Crisis"]

[Text] The Salvadoran Government is in crisis as it has always been.

The difference now is that for the first time the native oligarchy is feeling the effects.

The minister for economy, Guillermo Diaz Salazar, who is also the spokesman for the private business sector, recently admitted that the economic crisis was inevitable and, which is the most serious part, that there is no solution for it.

Abdul Gutierrez, the military chief, immediately accused Diaz Salazar of committing a crime against El Salvador's economic stability, but with this threat Gutierrez could not silence the alarmed businessmen who publicly stated through economist Enrique Hinds and the president of the Coffee Growers Association, Wendell Francis Gomez, that "the government is leading us toward economic disaster."

The oligarchy's fears are extremely justified:

The national bank has no currency, and during the last 3 years a flight abroad of \$2 billion has been recorded; there is no private investment and public investment was 50 percent below plan last year; the trade balance deficit anticipated for this year is about \$270 million, but the experts think that it can double due to the fall in the price of coffee; the GNP decreased in 1980 by 10 percent, and the outlook for this year is bleak: to achieve even zero growth the government would need an injection of \$260 million, which it intends to seek from the IMF and the World Bank. However, the experts assert that given the disaster we are observing in agriculture, industry and construction, the 1981 GNP will fall 4 percent below the 1980 figure. To make matters worse, the overloading of the international coffee market caused trimming of the Salvadoran quota, and the country has a surplus of coffee beans that it does not know where to place. Wendell Francis has said that the present coffee prices have made the panic spread, and the growers, who are less calm in their judgment, have stated emphatically that "if the coffee growing sector collapses, the nation will sink."

In the face of their fear of the bankruptcy toward which the fascist junta is leading the country, the local oligarchy decided to no longer hide its disagreements with the Christian Democratic military government, which caused the puppet Napoleon Duarte to describe these bourgeois as rightists and to state that they represent "a greater danger than the left to the country's stability."

Translated into the language of actions, Duarte's words mean that Salvadoran fascism is continuing to lose allies and that the struggle is no longer only against the working people.

We now understand perhaps a bit more clearly the reason for the yankee administration's obsessive concern about preventing the economic collapse of the junta through inventing partnerships and attracting non-North American capital to conceal the support the United States is giving the fascists. The "mini Marshall Plan," the idea of "the Caribbean basin" and other notions of that sort have under their shining epidermis of "aid for development" with which they have tried to cover themselves the ugly and thorny back of a porcupine on whose bristles the yankee imperialists are seeking to nail the yearning for political and economic independence of the peoples of this area, particularly the Salvadorans.

The yankee concern in the face of El Salvador's economic crisis and its political consequences and the increasingly open confrontation between the fascists and private businessmen also reveal something that we have already pointed out on other occasions: the imperialists' fear even of bourgeois democracy.

The United States does not want to play the card of representative democracy in El Salvador because this system, which fits a neocolonial model of political and economic relations of dependency on imperialism, allows too many liberties under the new conditions of concentration of capital and exceeds the limits of imperialist domination.

We must thus agree with minister Diaz Salazar that the crisis is inevitable, but we reject the statement that there is no solution for it. There is one, certainly, and it is what the Salvadoran people are seeking through their vanguard, the Farabundo Marti National Liberation Front.

9545

CSO: 3010/1686



POLAND'S SOLIDARITY, ITS DEMANDS DESCRIBED

Havana GRANMA in Spanish 14 Jul 81 p 6

[Article by Alcibiades Hidalgo, special correspondent of PRENSA LATINA: "What 'Solidarity' Wants"]

[Text] Warsaw--It is not difficult to hear Lech Walesa during these few warm days of the Polish summer.

The chairman of the parallel union, Solidarity, speaks frequently before dissimilar audiences. He travels around the country. He repeats the same ideas time and time again, always pursued by a swarm of photographers and an inseparable bodyguard.

This past weekend, on the eve of the ninth extraordinary congress of the Polish United Workers Party [PZPR], Walesa is speaking to workers in the Lenin shipyards, at the port of Gdansk, where the strike wave of this last year got started and where the national headquarters of Solidarity is based today.

The small shipyard stadium is, however, big for the sparse crowd that hardly fills one of the sections. The temptation of a Saturday off, exacted among last year's union demands, seems to have been more powerful than the prospect of a sunny afternoon devoted to the antigovernment oratory of Solidarity's president.

Wearing in a T-shirt announcing the success in Cannes of Andrej Wajda's most recent film, in which Walesa plays himself, he answers countless questions raised by the audience in writing and handed over to an efficient security and peace keeping service.

What did Solidarity do to shorten the waiting period for housing? Will you defend the leaders of the Alliance for an Independent Poland? Why do you always compete with Andrej Gwiazda? Do you believe that you are always right?

Walesa answers. He endlessly answers the many questions generated by this jumbled type of debate, which is advocated by Solidarity because they consider it the most complete form of democracy.

"Give short replies to short questions," states another leader in the union, who joins the already endless list of those who are criticizing the founder of Solidarity or who are competing for power within the new organization. Because Solidarity is in the midst of an election campaign, the meeting in the Lenin stadium is just one of the many electoral gatherings for the regional elections in which four other candidates are contending with Lech Walesa for the union presidency in the most important Polish port on the Baltic.

Among them, paradoxically, are the two vice presidents of the national coordinating committee of Solidarity, which acts as the leadership in the movement, Andrej Gwiazda and Bogdan Lis, both from the same electrical products factory in the Gdansk region, who do not hide their disagreements with Walesa.

Above all on questions of method, the "radical" Lis told us at the union's national headquarters in the center of Gdansk in a five-story building that bears more resemblance to a French university in May 1968 than to a site allotted to union business.

"Walesa wants certain concessions to be made to the government. I do not trust the authorities," explained Lis, who considers himself the representative of one of the currents who are driving toward an immediate confrontation with the Polish authorities.

Neither does Lech Walesa for his part stint on criticism of the endangered Polish state organization. Before the shipyard workers, Walesa again demands a television channel for his union, promises that in the future Solidarity will be responsible for supervising all the country's problems, "even the separation between the tracks of the railroad," he says sarcastically.

A few days before, at Solidarity's regional assembly in Warsaw, where Walesa had participated to try in vain to prevent the "radical intellectual groups" from monopolizing the leadership of the capital's union, he talked about Solidarity's future strategy once the party congress was ended.

He stated that in the future there will be new and broader demands but that his present tactics are to consolidate what has been gained. "We do not achieve anything by now signing new agreements with the government, which we know they will not be able to fulfill," Walesa asserted with implied acknowledgment of the critical economic situation that the country is undergoing, and which worsened after the wave of strikes that has already lasted more than a year.

Walesa also spoke of the new weapon that will soon appear on the Polish scene, the "active strike." With this method production will not be halted but will continue, this time under the leadership of the union, which in this way is trying to overcome the unrest that is appearing in its ranks due to prolonged social agitation and shortages.

Who will distribute what is produced? Who will coordinate the indispensable ties among enterprises? Who will collect the profits generated by the "action strike"? There is still no clear answer from Solidarity to these questions that does not contradict its supposed position of not replacing the government's authority.

From the first demands, which since the start of the events in August 1980 went beyond the strictly union framework, the movement presided over by Lech Walesa is now ready, in the words of the leaders themselves, to "arrive at a new phase."

In Solidarity's 36 regions discussions are increasing about a national program whose final goals will be determined at the organization's congress in August and whose debates show the dissimilar trends present in this heterogeneous movement.

"The basic issue now is that of self-management," thinks vice president Lis.

Solidarity, claims Lis, opposes the plan put forward by the government on this central topic of current Polish life and which is now being discussed in a committee of the Sejm.

"We will submit our counterproposals to this law and if they are not approved, then we will put them directly into practice in the nation's enterprises," Lis specifies, confirming his position as an advocate of action without delay against the guidance of the Polish party, in which, however, he maintains his status as a member.

"We can impose our own solutions on the government," Lis adds. "Eliminate its authority. Make it lose control over the industrial enterprises."

What will this self-management proposed by Solidarity be like? Above all it will be an unprecedented solution, strictly "Polish," emphasizes Lis.

Their present plans, he asserts, are not based on the experience of other European countries. What they are proposing is an almost total freedom in the direct management of enterprises, including the right to decide their own plan, to elect the managers of the enterprise and to grant the possibility of exporting and importing products and raw materials directly to the factories, including those of the small private industry that exists in Poland.

This economic reform will have to be accompanied by political reform, Lis believes.

The question of whether these changes are compatible with Poland's socialist system causes a linguistic confusion about the meaning in Polish of "system," "regime" and "structure" that Lis resolves with the formula, "the structures will be changed but not the system."

These reforms, Lis also points out, will include in the future demands for changing the parliamentary structure. Along with them, at the factory level, the methods of self-government or self-management of enterprises will take shape that Solidarity is now studying.

"We anticipate that after the congress, the party's position will become more inflexible," Lis continues. "Perhaps personnel changes may result, but this does not interest us. We do not want people like Tadeusz Grabsky or Stefan Olszowsky in the leadership, but neither are we campaigning against them," the young Solidarity leader adds contradictorily.

Lis' opinions are not the only ones within this widespread movement. But they are representative of the problems that Poland must still face after a few short months of apparent social calm and the reorganization of power that the national congress of Solidarity involves, which will take place shortly after the conclusion of the party's highest assembly.

The differences between "radicals" and "moderates" inside Solidarity seem not to go beyond the sphere of strategy. Perhaps for this reason Bogdan Lis had no answer to the question about the apparent contradiction between his attitudes as a "radical," which have, however, a political origin in the Polish left and those of Catholic and "moderate" Lech Walesa.

## DAAFAR MAIN GENERAL COUNCILS HOLD MEETING

Havana VERDE OLIVO in Spanish 5 Jun 81 p 57

[Text] Recently, a meeting was held at a DAAFAR [Antiaircraft Defense and Revolutionary Air Force] unit to summarize the overall control carried out by the main general councils over the eastern territorial general council and subordinate organs.

Maj Gen Ulises Rosales del Toro, commander of the Eastern Army, and Brig Gen Juan Escalona Reguera, acting minister of the FAR [Revolutionary Armed Forces] for civil defense, both members of the Central Committee of the Communist Party of Cuba; the attorney general of the republic, Idalberto L. de Guevara Quintana; the assistant attorney general and head of the main general councils, Justice Col Mario Albarello Garcia; and other commanders and officers of the Revolutionary Armed Forces presided at the meeting.

The concluding address was delivered by Justice Col Mario Albarello, who stressed the importance of the fact that this territorial organ of the military general councils won the designation "good."

He said that the successes achieved in the preparation of penal court cases, including the speed of handling, have been significant. Also, the work done in the prevention of crime and other violations of the law and in legal education have improved in quality and variety.

The collective of eastern territorial main general council officers was congratulated on the results of its work.

5157

CSO: 3010/1601

## FAR AGIT-PROP NATIONAL REVIEW MEETING HELD

## Progress Noted

Havana VERDE OLIVO in Spanish 12 Jul 81 p 12-13

[Article by Lesmes La Rosa]

[Text] The National Seminar on Propaganda, Agitation and Mass Cultural Work has confirmed that the ideological work of the FAR is moving ahead toward still greater undertakings.

Whenever we make a brief stop along the way to take stock, elementary revolutionary modesty and the principle that one can always do more make us realize that the greater part of the journey still lies ahead. The stages already traversed, however, provide us with experience and guidance to enable us to undertake tasks of still greater magnitude.

On this basis one can say that the results of the National Seminar on Propaganda, Agitation and Mass Cultural Work in the FAR serve as a guide to make the ideological work carried out in our military institution worthy of the 25th anniversary of the landing of the "Granma" and the creation of the Revolutionary Armed Forces.

More than a mere pronouncement, these results represent the firm intention of the political workers to become more efficient in their ideological work, which is an essential foundation on which to build the combat readiness and preparation of the units.

## Progress Made

One of the basic aspects of the Central Report to the seminar is its critical and self-critical character. Every paragraph and every line goes to the heart of the problem and arrives at the most appropriate conclusions.

In the political, moral and psychological preparation of FAR personnel, for example, a principal role is played by the Marxist-Leninist training of officers and by the political classes for sergeants, soldiers and seamen. The seminar concluded in this regard that despite the difficulties encountered, the results achieved are satisfactory.

This conclusion can be illustrated, moreover, by pointing out that during the instruction year just concluded the officers began the study of the theory of scientific communism, while the noncommissioned officers completed a course of study covering the elements of the economics of capitalism.



In compliance with the directives of the Central Committee and Central Political Directorate, this stage of the journey included a study of speeches by party and government leaders, as well as of the Central Report to the Second Congress and the closing address delivered at that great event.

An abundance of extra effort and labor went into the preparation of the material base for the course of study in the theory of scientific communism. The seminar accordingly used the occasion "to express our appreciation to the comrades of the Political Section of the Eastern Army--and to the collective of the workers of the newspaper COMBATIENTE and Department of Design of FAR headquarters--for their interest and for the quality of the work done."

No less important is the political preparation of sergeants, soldiers and seamen, who through implementation of the system of permanent textbooks are realizing increased savings in time, materials and labor.

The instruction in this field has made it possible to enhance the store of knowledge in areas as vital as the obligations of military personnel in connection with their training for the defense of the fatherland.

This overall review naturally included the projection for the coming instruction year inasmuch as the commissioned officers will continue their study of the theory of scientific communism, while the noncommissioned officers will take a course of study in the economics of socialism, to be given in close coordination with the practice of socialist construction in our country and with life in the units.

One of the basic elements in the process of developing the activities of the party is the internal education of the party membership. The seminar participants learned that progress has been made in this area in terms of development, organization and content.

Numerous courses, therefore, are currently being given at the basic, intermediate and higher levels with an acceptable matriculation of party and UJC [Union of Young Communists] members who are participants in the system of party education. At the same time, the study circles of the FAR civilian workers have maintained their steady progress, while the courses for officer candidates are accomplishing their objectives and are being presented in an acceptable manner.

Despite these accomplishments the work has not been free from difficulties, but the seminar expressed the belief that "we are in a position to eliminate the shortcomings reported, and consolidate the work of internal education, within the current 5-year period."

#### Mass Agitation and Other Aspects

Turning to the subject of mass agitation, we note first of all that there has been an increase in the quality of the work done in this area. This success is the result, among other things, of the improved performance of the structures designed for these tasks together with improved utilization of the time spent in mass political work. The units are also planning their activities in such a way as to incorporate qualitative improvements in respect to content, and the various forms of activity in the areas of propaganda and agitation are being carried out more effectively.

Efforts have also been centered on propaganda in the form of lectures. The political organs have formed the groups of lecturers and organized the advanced theoretical and methodological work.

As for the field of the social sciences, the departments and instructorships in these subjects at the military education centers have continued to enhance their instruction in Marxism-Leninism and other related sciences, infusing them with a rich ideological content.

As a result of the experience accumulated, the curricula have been perfected and a higher degree of adaptation achieved as between the intermediate and higher levels of education, together with greater uniformity in the teaching of the individual courses.

The role played by the military press in the multifaceted education of the personnel is constantly increasing in importance. The military press constitutes a great resource in the arsenal of ideological armament.

The activities in the field of mass cultural work have been focused preferentially on implementation of the decisions and resolutions of the First Congress of the party, and especially on those which relate to the artistic and literary sectors of culture and to the policy lines laid down by the minister of the FAR and the Central Political Directorate with respect to this important task of political and party work.

We believe that the elements set forth in presenting this material are more than sufficient to enable us to reaffirm that the ideological work is making firm and steady progress and concentrating its best efforts on measuring up to the 25th anniversary of the landing of the "Granma" and the birth of the "impregnable bastion, the defender and guardian of the creative labor of the Cuban people: the Revolutionary Armed Forces."

#### The Seminar

The National Seminar on Propaganda, Agitation and Mass Cultural Work in the FAR (held on 2, 3 and 4 July at FAR headquarters) concluded with an address by Antonio Perez Herrero, alternate member of the Political Bureau.

Presiding over the seminar were, among others, Col Armando Saucedo Yero, member of the party Central Committee, and Naval Captain Eladio Calvo Gonzalez, alternate member of that organ, who also serve as first deputy and deputy respectively to the chief of the Central Political Directorate of the FAR.

Also numbered among the presiding officers were the chiefs of political sections of individual armies and sections of the armed forces, as well as other commanders and officers of the FAR and Soviet military advisers.

During the first day's session the Central Report was read by Naval Commander Ovidio Sopena, following which Nicanor Leon Cotano, an official of the party Central Committee, delivered a lecture on international affairs.

The seminar next turned its attention to the work of the individual committees, and this phase of the seminar continued into the second session. Major General Vasili [as published], Soviet military adviser, also made a presentation relative to the content, forms and methods of the ideological work carried out in the Soviet armed forces.

In the course of the seminar the participants had the opportunity to hear and discuss an explanation of various technical methods for use in the development of political and party work under field conditions, and also to participate in a thematic conference--of a methodological orientation--on the subject of 26 July.

On the third and last working day Carlos Aldana, member of the party Central Committee, delivered a lecture in which he discussed various facets of current international problems. In his presentation Col Arnaldo Tamayo Mendez, alternate member of the party Central Committee and the first cosmonaut from Cuba and Latin America, spoke of the peaceful use of cosmic space by the countries of the socialist community for the good of mankind and recounted his historic flight into ultraterrestrial space.

#### Perez Herrero Address

Havana VERDE OLIVO in Spanish 12 Jul 81 pp 14-15

[Speech by Antonio Perez Herrero, alternate member of the party Political Bureau, at the closing session of the National Seminar on Propaganda, Agitation and Mass Cultural Work in the FAR]

[Text] Comrades:

A brief analysis of the program of this seminar enables us to appreciate the fruitfulness of the days you have spent here and of the organizational level achieved by the ideological work carried out in the FAR. A praiseworthy effort was made during the seminar to achieve a collective focus on the work being done in this connection by the leaders, political organs, party organizations, UJC [Union of Young Communists], and activists. We have fully recognized the importance of this effort, because we are convinced that its success will largely determine the effectiveness of the ideological work as a whole.

For years the seminars on propaganda, agitation and mass cultural work have played an important role in organizing the ideological work, and each seminar has in its turn helped to draw up a balance sheet for the stage just completed and made it possible to formulate in a sufficiently precise manner the guidelines for undertaking future tasks. This constitutes, in our opinion, the principal merit of this event, which brings together the principal--and most experienced--ideological work cadres, who in a fraternal and constructive atmosphere exchange experiences, discuss their concerns, and through their various initiatives contribute to the progress of the work.

As to the future we must reiterate the comrades judge themselves severely, and for this reason the reports abound in critical and self-critical observations which display a tendency--a very positive one, to be sure--to aspire at all times to attain higher levels of performance. Aside from the aspect of criticism, however,

there is no doubt that just as in all other aspects and types of activities in which the FAR engage, their political-ideological work has progressed and has been consolidated, and its prospects for the future are excellent.

It is true that not everything is perfect, but it is also true that the principal indicators of efficiency reflect the good progress of the work. This is the case, for example, with the Marxist-Leninist political training program, whose instructional activities are endowed with the necessary materials, are based on the essential methodological standards, and have achieved levels of attendance which if not the best are at least acceptable.

The same thing is true with respect to the work of the print media and the radio and TV programs, in which indisputable progress has been made such as the consolidation of the "Informacion Politica" program and the improvement that can be observed in "FAR Vision," which after receiving some equipment of its own is now more independent and its links to television are being perfected.

The work of mass agitation--which for a number of years suffered from a certain stagnation and little variety in format--today has the time it needs built into the daily schedule of the units, as well as various supporting materials and forms of activism which are gradually being consolidated. I believe that the shortcomings of which the report speaks will soon be corrected and that genuine progress in this important area will shortly become apparent.

To everyone's gratification, the magazine VERDE OLIVO has experienced modest but steady progress. The cinematographic studios, for their part, have stabilized their production of newscasts and educational films and successfully made full-length documentary films of indisputable quality, and are in a position to undertake (in collaboration with TV Cubana) film projects of the scope of "Everyone's Army," which we trust will be, on their coming 20th anniversary, a kind of certification that they have come of age.

There is in addition the extensive network of institutions designed for recreation and ideological work. These comprise the soldiers' and sergeants' clubs; the Lenin-Marti halls; and the officers' clubs, all of which have considerably expanded the possibilities of the propagandists inasmuch as they serve as an effective and appropriate material base for the overall effort of the latter.

Some years ago the commanders and political workers became aware of the necessity of providing the ideological work with material resources that would enable the consciousness-raising process to be associated--in a more effective manner--with concrete activities. When the necessary resources are available it is possible to utilize culture, sports and recreation as highly advantageous forms of ideological work.

Never before has weekend recreation played such an important role in the life of the troops, and today--not only through centralized efforts but also through the work of the individual units using local resources--tens of recreational areas have been created and numerous resources have been constructed for the recreation of the personnel.



It is a fact that all this has had a very positive influence on the consolidation of discipline and on overall political and moral conditions.

The explanation for this progress is the fact that the majority of the institutions for ideological work in the FAR have functioned (and not in vain) for 20, or almost 20, years, and the fact that during this period the command cadres and political workers have acquired extensive experience and obtained results which contribute to the development of the FAR and the fulfillment of all tasks. Nothing better serves to confirm the effectiveness of the ideological work--viewed as a whole--than the revolutionary spirit, the dedication to duty, the modesty, the loyalty and the many other attributes that characterize our combatants and officers.

The seminar also directed its attention not only to matters which affect the work directly but also to the fact that planning must be carried out with a certain perspective. The decision to return the sociological apparatus (which despite its modest human and material resources has in fact been able to demonstrate some results to this seminar) to the jurisdiction of the Political Directorate will make it possible to expand the facilities so that prognoses can be made--based on scientific research--which will help to raise the level (and the effectiveness) of the work as a whole.

The question of social research is of vital importance not only to the FAR but to the nation, inasmuch as it is not unusual for us to neglect the long-term perspective because of our involvement in the solution of the most immediate problems of our everyday labors. This tendency is erroneous, and condemns us not only to operate on a moment-to-moment basis but to lag behind problems and therefore to center our principal efforts on remedial measures. Our greatest desire is that a study of the past, an understanding of the present, and a clear vision of the future together with an evaluation of the experience of others will enable us to devise forms of work, and procedures, that are more valid for the long term.

In looking back we have reason to feel satisfaction, although whenever we do so it seems to us that what we have done is little by comparison with what we want to--and should--accomplish. Marx said in this connection that proletarian revolutions criticize themselves constantly and are constantly reviewing what has seemingly been completed. This phenomenon is due to the fact that the very progress made in carrying out the work creates the conditions that serve to raise the level of aspiration. These are the problems of development, and if they were not present it would be at best a sign of stagnation.

I personally have the impression that the political-ideological work in the FAR has entered a new phase and is facing a test which may even entail modification of some methods and concepts.

This situation stems from the fact that today almost all the new officers are coming to the units with a rating of "superior"--a rating acquired at schools and academies both in Cuba and in the USSR which have instructorships and departments that teach the social sciences with acknowledged distinction--while a large percentage of the soldiers have completed their secondary education. Moreover, we have become aware that the forms and methods of ideological work must necessarily evolve until they have attained a corresponding level of excellence. It is obvious that the political classes, study circles, lectures, meetings and political information program cannot remain the same as they were when the average educational level was below that of the sixth grade.



The progress that has been made means first of all that the political workers--and especially the propagandists and those who conduct the work with the young people--must intensify their efforts to achieve personal excellence, for these young people are much more cultured and diligent and have received more extensive training.

At the same time, the effect of these developmental realities is that the political organs must have--among their principal concerns--the need for perfecting their methods and style, in order that their work may maintain its quality and prestige and respond to the demands made upon it by the evolution of the FAR and that of our society as a whole.

In his report to the Second Congress of the party, comrade Fidel stressed the need for "...making the entire ideological work program more integral and utilizing--in a coherent manner--the Political Education System, the forms and methods of propaganda and agitation, the mass communications media, the various forms of culture, sport and recreation, and other means for accomplishing this work."

It is up to us--the workers on the ideological front--to find the forms and methods that will enable us to implement this precise orientation.

I believe, for example, that the scope of this seminar--including the presence here of comrades who perform their duties in the most diverse fields--is a factor which contributes to the attainment of this objective, and it is of course self-evident that the mere fact of meeting in a single physical location and having everyone participate in the discussions will automatically promote the integrality and coherence of which Fidel spoke.

In general (and of course the work in the FAR) the ideological work is beginning to attain a level on which it is proving difficult to do more with respect to increasing the total load of tasks and projects. Virtually all occurrences of importance are covered by plans, "days" and campaigns that are carried out with an acceptable degree of coherence; the mass meetings number in the hundreds; and the work of the communications media is going forward on the basis of procedures that have been repeatedly proven in practice.

The problem facing the ideological work program is not so much one of quantity as one of quality.

Although we have repeatedly said so already, we must continue to insist that the quality and integrality of ideological work depend to a considerable extent on the manner in which it is organized and on its correct planning, and this in turn is related to the quality of the cadres and to the style employed by them in their labor.

Planning the ideological work does not consist merely of drawing up more or less detailed schedules for execution of the various tasks; it consists above all of formulating objectives that correspond not only to the current situation but also to the trends in the evolution of our society. In order to be effective, planning must also discover the ways to achieve these objectives.

The problem of integrality and coherence is resolved as much in the execution of the tasks as in their conception. In this entire process, each section and each

comrade must consider carefully what to do and how to perform their duties, so that they may effectively exercise a positive influence on the political-ideological development of the troops.

It is obvious that this type of procedure requires that along with efforts to generalize the practical experience it is essential to develop the theoretical and scientific activity, which becomes intrinsic to the ideological work when the latter has arrived at the stage in which we find ourselves today--a stage which hardly permits of improvisation, empiricism or routine.

At the level attained by our society it is essential to carry out ideological work, basing our action--in an increasingly profound and creative way--on the principles of Marxism-Leninism and raising the level of professional skills of the propagandists, agitators, and all those comrades who by virtue of the social function they perform serve as publicists of the revolutionary ideology. In order to progress in this capacity it is necessary to utilize rationally the entire intellectual potential at our disposal, which in the specific case of the FAR is by no means small.

In the area of political work an infinite number of comrades have attained superior levels, and 28 of them have received--or are about to receive--degrees in science. Most of these comrades carry out their labors in schools and academies while others perform tasks on other fronts, but in all cases we must create the conditions for utilizing these comrades appropriately with respect to intensifying the political-ideological work.

I want to underscore the fact that this process cannot be spontaneous, and that it is primarily the responsibility of the Political Directorate to create the organizational conditions for it.

This is not the first time we have alluded to the proposal that these levels be achieved in the ideological work, and if we insist on this point it is because we are persuaded not only of the necessity--but also the feasibility--of making that effort.

The research carried out in the field of the social sciences (especially as regards revolutionary theory and practice) is a part of ideological work and an indispensable instrument in all leadership processes of the socialist society. Together with the necessary effort to generalize experiences, perfect the exchange of information and improve the mechanisms of collective work and teamwork, this research will assist in gradually raising the level of skills of our cadres--and the precision of their labor--until the levels to which we aspire are achieved. It is necessary that the FAR be linked to the national plan for social research, and that the FAR participate in that plan, in order that they may not only contribute their experiences but receive--and utilize in the political-ideological work--the results achieved by other organs.

Comrades:

It is not possible for me to go into much detail, but I feel I should call your attention once again to certain matters which in our view are important.

The FAR do not live--nor can they live--in a hermetic environment; they are affected by precisely the same problems as the rest of society. It is on the FAR very especially--at the ideological level--that the enemy always has his weapons trained, and for this reason we cannot relax our guard so much as an instant.

It is an axiomatic truth that a weapon's worth is the worth of the man who wields that weapon. Accordingly, if the principal mission of the FAR is indeed the maintenance of a high level of combat readiness, we know that this can be achieved solely through the mastery of technology and armament and through adequate training in the field.

Never neglect your work with the officers. Pay close attention to the young people: to those who thanks to their intelligence and ability are making a brilliant career and also to those who having completed their terms of military service must leave the institution, for they have given the nation all they could and are entitled to the greatest consideration.

In working with the young soldiers, bear in mind that the nation expects a great deal from your educational work. Every year brings you a large contingent of young people who have barely emerged from their adolescence, and 3 years later the nation expects them to be more well-rounded, mature citizens. By this continuing labor the FAR are providing the nation with an inestimable service.

At the present time our people are experiencing moments of satisfaction: the measures adopted several years ago are beginning to bear fruit and are reflected in the standard of living. The institutions are increasing the stability of their work, and the cohesion of our society is becoming firmer.

Simultaneously, however, the enemy is threatening us once again, and we must be prepared to give the necessary response to the enemy. I am sure that the political workers are already striving to be so prepared.

I should like to express to you my gratitude for your invitation, and to wish you every success.

Thank you very much.

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CSO: 3010/1650

## FAR HONORS CONGOLESE ARMY'S 15TH ANNIVERSARY

Havana VERDE OLIVO in Spanish 5 Jun 81 p 55

[Article by Jorge Luis B.]

[Text] The main Revolutionary Armed Forces [FAR] ceremony held in connection with the 15th anniversary of the establishment of the National People's Army of the Congo was held at the headquarters of an Eastern Army unit.

Maj Gen Ulises Rosales del Toro, commander of the Eastern Army and member of the Central Committee of the party; Brig Gen Carlos Rodes Moro, acting for the minister of the FAR for the rear guard; Medard Momengoh, the ambassador of the People's Republic of the Congo to our country; as well as other commanders and officials and employees from the Congolese diplomatic mission, were at the speakers' table.

Since July 1968, when the late president Mariem Ngouabi headed the revolutionary progressive military movement, the armed forces of that African country have been characterized by their battle against the forces of imperialism, colonialism, neo-colonialism and reaction.

Speaking on behalf of the Revolutionary Armed Forces, Lt Col Juan Luis Charon Duarte, acting for the commander of the Eastern Army for political work, and acting member of the Central Committee of the party, reviewed the tasks and missions carried out by the National People's Army of the Congo, and described how it summarizes the best combat traditions of that brotherly people.

He also said that its fighters, forged in the heat of struggle, are improving their military and political training with every passing day in order to safeguard the conquests of the working people.

The acting chief of the Eastern Army for political work further described the fraternal relations existing between Cuba and the Congo, and spoke of Mariem Ngouabi, whom he described as a great friend of our people.

In this connection he stressed the broad bonds of collaboration between the two countries, covering such sectors as education, public health, crop raising, live-stock breeding, etc.

The speaker mentioned the broad and outstanding participation of the People's Republic of the Congo in the Organization of African Unity (OAU) and the movement of nonaligned countries, realized in fact in its revolutionary position with regard to the problems currently confronting the world.

In conclusion, Lt Col Juan Luis Charon Duarte voiced the greetings of the commanders, officers, sergeants, soldiers and sailors of the FAR to their brothers in arms in the National People's Army of the Congo on the 15th anniversary of its founding.

The next speaker was Medard Momengoh, ambassador of the People's Republic of the Congo, who stressed the importance of the Third Special Congress of the Congolese Labor Party, at which Denis Sassou Nguesso was elected chief of state and president of the Council of Ministers of that African country.

In his address, he also emphasized the successes achieved by the National People's Army and the political, economic and social changes taking place in the People's Republic of the Congo.

5157

CSO: 3010/1601



## CUBAN-BULGARIAN YOUTH FESTIVAL HELD IN HOLGUIN

Havana VERDE OLIVO in Spanish 5 Jun 81 pp 56-57

[Article by Roberto Campos]

[Text] The flags of Cuba and Bulgaria fluttered in the hands of the Pioneers. On that afternoon of 13 June, the colors of the kerchiefs and the uniforms contrasted harmoniously with the sun in the streets of Holguin.

From an early hour, children, young people and their elders had awaited the arrival of the delegates to the Second Friendship Youth Festival being held by the peoples of Georgi Dimitrov and Fidel Castro. The CDR [Committees for the Defense of the Revolution], FMC [Federation of Cuban Women], the Pioneers, the UJC [Union of Young Communists], the trade unions and all other organizations were represented by those waving their hands as the delegates passed.

We attended this gathering along with the comrades of the Society for Patriotic-Military Education (SEPMI) from the province, who were waiting in the streets for a group of young people from the school near the center for the training of minor specialists for the FAR.

The participation of the SEPMI in the festival had to do with almost all of the security and organizational tasks, from that Saturday, June 13, to the closing on June 19. The members of the base and prerecruiting associations helped with the making of the Cuban and Bulgarian flags and with propaganda. They participated in productive campaigns and joined in the enthusiasm of the people of Holguin in all respects.

## A Night of Friendship

On the third evening of the festival we went to Brisas de Yareyal, a pleasant restaurant with rustic wood and a palm-thatched roof on the city's outskirts. At approximately 0900 hours the Bulgarian delegates, who were to leave that night with the SEPMI leadership, arrived at the site.

Yuri Lyubanov, provincial Komsomol committee secretary in Pernik, shook the hands of all the members of the welcoming party, and soon we were seated together around the table at which the first discussion between the two countries was held. Beside him Lyubomir Vasilev, Bulgarian Communist Party secretary at that country's embassy in Cuba, and Hector Pupo, a member of the UJC bureau in Holguin.

Hands were raised after the statement by Comrade Lyubanov: "I am very happy to be participating in this gathering with individuals concerned with the political and military training of youth," he said.

His address contained words of friendship, internationalism, and communism, concepts which were echoed throughout the meeting.

Then Col Alfredo Ballester, president of the SEPMI in Holguin, summarized the work of the society with young people, saying:

"We want to stress that the experience passed on by the USSR and other socialist countries, including the Bulgarian people, has been very useful to us, and thanks to it we are able to raise our work to higher levels."

When we sat down to listen to the Cuban music provided for the occasion, we had an opportunity to talk with Ivan Maslarev, assistant chief of the sports, physical culture and tourism department of the Dimitrov Komsomol.

He expressed his impressions of the gathering in a few words: "The Cubans are magnificent. They have welcomed us with much love. In brief, we are very happy."

Hector Diaz and Manuel Martinez contributed to the dialogue, telling us of their experiences, for they are two young engineers who studied in Bulgaria and were serving at the moment as interpreters.

"The patriotic work in Bulgaria," Maslarev went on, "is carried out through the Organization for the Technical-Military Training of the Population. Our young people have an opportunity to engage in practical activities such as mapmaking, parachute jumping and others, in addition to visits to historic places."

A girl interrupted the conversation and invited the delegate to dance. They were joined by others, and the talk with Maslarev continued during breaks in the music, as was happening at all the other tables.

"They were impressed by the welcome they were given by Cuban families," Hector told us. "For example, they expected a brief encounter yesterday, but they danced until late at the home where they were staying."

And so it went throughout that evening, interrupted by the exchange of badges and stamps and the eternal smile of affection.

#### Another and Yet Another Meeting

The following day the clubhouse (Festival Officers Club) was the scene of a patriotic meeting among Pioneers, Camilitos, students at the primary teachers' training school and provincial leaders of the SEPMI.

Bulgarian participants included Asen Asenov, a young frontier guard; Todor Kotopanov and Elizabet Maneva, both Pioneers; and Boyko Korsanos, a delegate.

Questions came from both sides and the Pioneers expressed interest in the life of the young frontier guard. Asen in turn asked the participants about youth participation in this type of troop.

Stories were told at the gathering about the early days of the Cuban revolution and the coastal defense, as well as the Yankee aggression by those from the Guantanamo naval base, who encountered the combative youth.

At the end of the meeting, a group of SEPMI comrades and Bulgarian delegates were photographed together in the courtyard of the clubhouse, to provide a souvenir of the meeting.

There were innumerable friendly meetings at which the presence of the SEPMI was manifested through its members. We saw examples of this at the political ceremony held at the 60th Anniversary of the Great October Socialist Revolution KTP-1 Manufacturing Combine, the brewery, the Lenin Hospital, the Jose Marti Vocational School, the Turquino Cannery, the Nursery School Teachers Training School, and the Unglazed Pottery Enterprise.

Our notebook is filled with comments about these dialogues and on the subject of internationalism and patriotic education.

There we witnessed encounters such as that between Peco Coleu and Oscar Gomez, who met on an internationalist mission and then saw each other again since both were delegates to the Cuban-Bulgarian festival.

The flower of friendship which opened its petals at the beginning of the event will never close, since it lives in each of the individuals we saw at this meeting of Cuban and Bulgarian young people.

5157

CSO: 3010/1601

## BRIEFS

IRAQI AT JUCEPLAN--Humberto Perez, alternate member of the Politburo, vice president of the Council of Ministers and president of the Central Planning Board [JUCEPLAN], received Hilal Aboud, chairman of the National Computer Center of Iraq. During the meeting, which took place in an atmosphere of fraternal friendship, they discussed questions concerning cooperation in the computer field. Also present at the meeting, on the Cuban side, was Comrade Rodrigo Fernandez Monert, president of the INSAC [National Institute of Automated Systems and Computation Techniques] [Text] [Havana GRANMA in Spanish 29 Jun 81 p 3] 8796

CSO: 3010/1647

## GRENADA BLAMED FOR BLOCKING FOREIGN AID TO AREA

FL242024 Bridgetown CANA in English 1925 GMT 24 Aug 81

[By Peter Richards]

[Text] Roseau, Dominica, 24 Aug (CANA)--The ruling Dominica Freedom Party (DFP) has again called on Grenada to hold general elections and legitimize the government so that other Eastern Caribbean countries could benefit from foreign aid they badly need.

The Maurice Bishop Regime in Grenada came to power in a coup 2 1/2 years ago.

Addressing the 13th Annual Convention of the ruling DFP in Roseau Sunday Prime Minister Eugenia Charles said that her government had not been able to meet one of its campaign promises to Dominicans because of the decision by the Grenada Government not to hold general elections.

Miss Charles was apparently referring to the decision by the Barbados-based Caribbean Development Bank (CDB) to reject a 4 million (U.S.) dollar aid package to the region because the United States wanted Grenada to be excluded.

Miss Charles told delegates that a housing scheme for residents of the capital Roseau had to be halted temporarily. "It was part of that 4 million dollar package that we were not able to get because Grenada refuses to have an election," Miss Charles added.

"Those people who think I am wrong to criticize Grenada must understand that when Dominica is suffering I feel I have a right to criticize...because Dominica is losing by the fact that Grenada refuses to have an election and Grenada had promised to have an election," the prime minister said.

Miss Charles said that she was merely asking the People's Revolutionary Government of Prime Minister Bishop to adhere to its promise following the 13 March 1979 coup "and thus take all of us off the hook so we can enjoy the things other countries will give us if they (Grenada) conform to the usual democratic moves."

Miss Charles, who is also the foreign affairs minister, said that she was aware of many Dominicans not agreeing with her government's decision to be a member of the Organization of Eastern Caribbean States (OECS) because of Grenada's participation.



She said: "Many of the aid donors want to see us close together and you can't in fact have any say in things unless you are inside of there to make your say."  
[Sentence as received]

But she added "That will not prevent me criticizing people that are in OECS, when the country thinks they are wrong we say so, when we think they are right we also say so."

Miss Charles was the principal speaker at the party's convention after the organizers said that former Barbados Foreign Affairs Minister Henry Forde could not travel to Dominica due to illness. Mr Forde, a lawyer now back in private practice, was due to have addressed the convention on "terrorism and the role of citizens in combating terrorism," the DFP said.

Miss Charles, in her 55-minute address, urged Dominicans to unite in order to ensure that the country moves forward together and as one, she called for a unity with people "who are in opposition to us."

She added: "Despite one or two people who like to live backwardly I am sure that the majority of people in Dominica have seen in 1 year that unity is essential to us and are agreeing that we must have unity."

She called for unity with the trade unions, the private sector and political parties on the island. "We must be able to sit down and argue our different thoughts...we must learn to serve the country because when the country goes forward everybody goes forward with it."

Yesterday's convention was the first by the DFP since its election victory on 21 June 1980 when it won 17 of the 21 seats in parliament.

CS0: 3025/1026

## BRIEFS

EX-SOLDIERS DEMONSTRATION--Roseau, Dominica, 27 Aug (CANA)--About 19 ex-soldiers demonstrated in front of Dominica Government headquarters for the second day running. Claiming monies they say are due to them following the disbanding of the defense force last March, government has already told the former soldiers that they should put their grievances through the normal channels, though it maintains that the men have all been paid. The National Workers Union, representing the men, has threatened to make the money claim a national issue but its call for support from other unions has so far been unsuccessful. [Text] [FL272316  
Bridgetown CANA in English 2100 GMT 27 Aug 81]

CSO: 3025/1026

## BRIEFS

S. AFRICAN ANGOLAN INCURSION CONDEMNED--Prime Minister Brother Maurice Bishop has sent a message to Angolan President Jose Eduardo Dos Santos expressing the Grenadian people's solidarity with the Angolan people and condemning the invasion of Angola by a racist South African [word indistinct]. In his message, Prime Minister Bishop said that the PRG [People's Revolutionary Government] unhesitatingly denounces this latest massive attack on sovereign Angola by the imperialist and discredited white racist minority regime in South Africa and calls it a gross violation of the national sovereignty and territorial integrity of the People's Republic of Angola. Prime Minister Bishop, in behalf of the Grenadian people, demanded the immediate withdrawal of the racist force from Angola. The prime minister (?said) that the PRG views this most recent manifestation of South African aggression as being indicative of the [words indistinct] in Southern Africa [words indistinct] destabilizing the country [words indistinct] in South Africa and Namibia. It is clear that the South African aggression comes from the support that country receives from the United States, Prime Minister Bishop said. [Text] [FL270118 St Georges Domestic Service in English 2300 GMT 26 Aug 81]

GRENADA ELECTRICITY RATES--St Georges, Grenada, 29 Aug (CANA)--Two-thirds of Grenada's electricity users are to pay less and the rest will pay more in a 1 October restructuring aimed at reducing the operating losses of the island's lone power company, it has been announced here. Winston Bullen, manager of Grenada Electricity Services (GES), a company owned jointly by government and the British-based Commonwealth Development Corporation (COC), made the announcement last night. According to Bullen, light electricity consumers will pay 10 percent less than they do now. Consumers in the middle range will get a 5 percent reduction. Heavy consumers will face a 10 percent increase and commercial rates will go up by 15 percent. Bullen said that GES had lost 197,000 EC dollars in the first 6 months of 1981 and if rates were not restructured losses would amount to 1 million. [FL272316 Bridgetown CANA in English 2139 GMT 27 Aug 81]

CSO: 3024/1026

## DEFENSE MINISTER: COUNTRY WILL NOT BECOME SOCIALIST

Guatemala City PRENSA LIBRE in Spanish 29 Jul 81 p 4

[Text] "Subversive criminals do not shoot at us with candy or gumballs. They shoot to kill but we are not going to allow in Guatemala what has occurred in Cuba and Nicaragua," according to what the Minister of National Defense, General Anibal Guevara Rodriguez, told PRENSA LIBRE on being interviewed in his office by one of our reporters.

The high-ranking member of the military referred to the political situation which the country is undergoing and the existence of a leftist guerrilla movement. The minister stated, "In Guatemala the people are aware that those minority groups (guerrillas) bring only anguish, terror and uncertainty.

"We have lived in peace for a long time. Nobody can say we are an uncivilized people, on the contrary, development achieved up to now is a concerted effort on the part of the democratic government, private initiative and all Guatemalans, who love their country.

Taking that into account it is denigrating that minority groups have placed themselves at the service of international Communism. They have brought violence, they are assaulting us and yet, abroad, they speak of a "violation of human rights."

The rebels are using arms of every caliber, they receive the support of communist countries, but the army, complying with the responsibility assigned to it by the constitution is striking back at them with great success.

An example of that is the uncovering of various hide-outs in the capital. Such actions have disorganized them. They are being fought with energy in urban areas as well as in the altiplano and the southern part of the country where small subversive outbreaks occur.

In general terms, it can be stated that in Guatemala a guerrilla movement could never prosper, for various reasons. In the first place because of the firm decision of the army to combat subversion, that is to say, the hardened enemy of freedom and of the nation, in the second place, the people have denied categorically their support for extremists.

The unconditional support for the army by the people is what prevents communism from advancing. This has become apparent in the various demonstrations organized spontaneously in different Guatemalan communities.

It must stand out that the Guatemalan has three great loves: liberty, democracy, and individual ownership. It is noteworthy that the Guatemalans want to be a free people and they respect our traditions, our beliefs and our property.

One should take note, continued General Guevara, that subversive groups are only criminals who try to cover their crimes with a masquerade of so-called political action. They assassinate, kidnap, plunder, and sow terror through various communities and these actions are only the work of true bandits, who sow grief and suffering in Guatemalan homes.

The reporter of PRENSA LIBRE asked Minister Guevara his opinion concerning the rise to power of socialist regimes in Central America. He stated that "all peoples have the right and the liberty to choose their own destiny and to determine the road which is to lead them to general well-being.

"As brother countries, it is of concern to us that we strive for this goal without bloodshed and without waging a hateful war between brothers. We are concerned only with the problem of Guatemala, and we have to solve them ourselves; we shall never allow outsiders to tell us how to solve them.

"What the people of Guatemala can be sure of is that we will not allow in Guatemala what is happening in Cuba and Nicaragua.

"The Guatemalan enjoys all liberties because he is not a slave or is he ruled by an iron hand which forces him to do what he does not wish."

9678  
CSO: 3010/1635



## GOVERNMENT FIRM ON TERRITORIAL RIGHTS TO BELIZE

Guatemala City PRENSA LIBRE in Spanish 30 Jul 81 p 17

[Text] The government of the republic announced last night that it will not recognize the new state of Belize "nor will it recognize the frontiers which separate us and reaffirms that it will maintain the use and benefit of the sea as it has always done."

The Statement is contained in the following press release issued by public relations office of the presidency. The text reads as follows:

The government of the republic, in view of the announcement made by the Government of Great Britain to the effect that it will grant Belize its independence this coming 21 September declares before the Guatemalan nation:

1. That since the beginning of his term of office, President Fernando Romeo Lucas Garcia has devoted himself to reach a solution to the age-old problem of the territory of Belize, in accordance with constitutional precepts, and also in conformance with civilized procedures and the rules of existing international law. With that purpose in mind, Guatemala undertook direct negotiations with the United Kingdom of Great Britain and Northern Ireland with a new understanding, in search of a peaceful approach to resolve the controversy.
2. The negotiations, as is public knowledge, led to the signing of a preliminary agreement contained in the Bases of Understanding, by which fundamentally the parties committed themselves to the determination of land and maritime borders, to assure for Guatemala the use and benefit of the Ranguana and Zapotillo Keys and adjacent waters, which because of their geographic position permanently guarantee to Guatemala access to the high seas. Likewise unrestricted highway passage, use of free ports, and the right-of-way of pipelines across Belizean territory for our country, and full, integral cooperation for development, in order to foster fruitful relations of friendship between Guatemala and Belize.
3. Later conversations between Guatemalan and British representatives together with Belizeans, with the purpose of formalizing, in one or various treaties, the Bases of Understanding, encountered difficulties in arriving at a full agreement between the parties.
4. As it was expressed by the president in his message to the congress of the republic on 1 July this year, Guatemala maintains its unquestionable dedication to peace and its conviction that international problems should be resolved in an intelligent and calm manner, but Guatemala will not accept the independence granted unilaterally to Belize without considering the controversy as ended.

As a consequence, Guatemala declares that it will not recognize the new state or regard as borders the lines which separate us and reaffirms that it will maintain the use and benefit of the sea as it has always done.

5. Guatemala will continue with a positive attitude to resolve the controversy by peaceful means which Article 33 of the United Nations Charter established. If said solution is not arrived at before the independence of Belize, Guatemala makes a formal reservation of the totality of its rights with regard to the territory of Belize.

6. Guatemala truly regrets that the negotiations have not led to the solution which Guatemala desired for. Guatemala reiterates that it will maintain an open position to consider all reasonable proposals which will be beneficial to the people of Guatemala and Belize.

Guatemala City, 29 July 1981

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CSO: 3010/1635

## GOVERNMENT ACCUSED OF HARASSING OPPOSITION

FL271825 Bridgetown CANA in English 1653 GMT 27 Aug 81

[Text] Georgetown, Guyana 27 Aug (CANA)--The Guyana Human Rights Association has made a strong protest over what it said was "the systematic harrassment" of persons deemed to be members of or sympathetic to the Working Peoples Alliance [WPA], an opposition political party.

Copresidents of the association are the Anglican Bishop of Guyana Randolph George, University of Guyana lecturer Dr Harold Lutchman and Clerical and Commercial Workers Union President Gordon Todd.

Referring to the latest in a series of incidents, the association said that Ms Jocelyn Dow attempted to leave the country on 11 August and was told that she must subject herself to being searched prior to making a currency declaration.

The association said that in the circumstances, it was evident that the search was not related to undeclared valuables, but from the remarks passed by the officers, their actions were promoted by what police perceived to be her political opinions.

The association sought to clarify the status of the WPA. It said that the WPA was a legal organization which had not, nor had its members, been convicted of any serious crime such as to justify the continued harassment of their members and property by the police.

The association contended that the "predictable invasion" of the privacy of members or people deemed to be supporters of the WPA, whenever they were about to leave the country, would appear to contravene the Guyana constitution.

It called on the commissioner of police, Lloyd Barker, to ensure that when special searches of people were necessary, they were carried out by properly authorized personnel.

CSO: 3025/1026

## PPP DENOUNCES U.S. PRODUCTION OF NEUTRON BOMB

FL192341 Bridgetown CANA in English 2337 GMT 19 Aug 81

[Text] Georgetown, Guyana, 19 Aug CANA--"The recent announcement in the United States that the neutron bomb is already being produced and stockpiled is cause for alarm," the Opposition People's Progressive Party [PPP] said in a statement here. The PPP said it has consistently condemned the neutron bomb policy of the U.S.A., also its entire strategic and tactical nuclear war policy and is calling on the Reagan Administration to desist from producing "the horrible bomb."

"The PPP is urging early summit talks on arms control between the heads of governments of the United States and the USSR, a call made by Soviet President Brezhnev many months ago," the statement said. The Marxist Party said it was of the view that U.S. President Reagan's decision to produce and stockpile the neutron bomb was irresponsible, arrogant and fraught with grave dangers for our civilization.

According to the PPP, the new arms race unleashed by Reagan was madness on a massive scale which threatened the survival of the human race. While the USSR is clearly not responsible for the new arms build up and the neutron bomb warhead, President Brezhnev has declared in a recent speech that the USSR has no intention to permit the U.S. or NATO military superiority to occur in any field of arms, the statement further stated.

The PPP noted that the People's National Congress [PNC], the ruling party in Guyana has made no move to respond to the peace appeal of the Soviet president, circulated to all the parliaments and peoples of the world since June 1981. "The People's Progressive Party calls on all Guyanese who want peace and social progress to condemn the latest assault on world peace, the renewed neutron bomb production," the statement said. The party also called on the Guyana Government and the parliament to express its concern over the new threat to world peace and call a halt to the U.S. production of the neutron bomb. It added that all peoples in all parts of this planet must strive to prevent a nuclear war.

CSO: 3025/1026

## BRIEFS

SOVIET AMBASSADOR OFFERS HELP--Georgetown, Guyana, 20 Aug (CANA)--The Soviet ambassador to Guyana, Mr Konstantin Kharchev, has offered to share his country's know-how with the Georgetown City Council to help it improve the social environment of the Garden City. The offer was made when the ambassador paid a courtesy call on Georgetown Mayor Mavis Benn. The Soviet envoy, who took up his post here 4 months ago, told Mayor Benn that Moscow was willing to assist the city council in overcoming some of its problems and improving the skills of the council's employees. The government-owned CHRONICLE newspaper reported him as saying that some of the problems experienced by the citizens of Georgetown; an inadequate supply of water and a shortage of some consumer items, were similar to those experienced by their Soviet counterparts. The Soviet ambassador proposed the organizing of a number of lecture sessions and film shows for the benefit of the municipal workers. He invited the mayor to discuss the matter further with the Soviet Embassy. [Text] [FL201925 Bridgetown CANA in English 1903 GMT 20 Aug 81]

CSO: 3025/1026



## SEABED AUTHORITY SITE IN JAMAICA

## Shearer's Comments

FL271530 Kingston DAILY GLEANER in English 22 Aug 81 pp 1, 15

[Statement by Hugh Shearer, deputy prime minister and minister of foreign affairs and foreign trade, on 21 August to Mark the Selection of Jamaica as Headquarters Site of the International Seabed Authority]

[Excerpts] I am pleased to be able to announce that news was received from Geneva today that in the current session of the Law of the Sea Conference, a definitive decision has now been made that the international Seabed authority will be sited in Jamaica.

I wish to make the point that this decision to site the Seabed authority in Jamaica is of the utmost importance. It offers considerable opportunities for the Jamaican economy and it imposes serious obligations which the Jamaican Government has committed itself to fulfill.

It will establish within Jamaica an international organization dealing with the Seabed resources as the common heritage of mankind, will provide opportunities for employment and for the construction of facilities estimated to cost some \$200 million, will create the environment and infrastructure for the development of Jamaica as a major international center for the holding of meetings under the auspices of the United Nations, would act as a stimulus for the development of the construction industry in providing the requisite housing for hundreds of diplomatic personnel and employees of the organization, would generally act as a stimulus of the tourism industry in Jamaica.

In the area of obligations, it is important that the nation should prepare itself for receiving peoples from all over the world with a diversity of culture and whose habits of living may be fundamentally different from our own.

It is necessary for us to demonstrate the capacity to provide a hospitable environment for all those people and more particularly to ensure that all the amenities in terms of education, housing, medical facilities and social amenities are available in keeping with what has traditionally come to be expected from the headquarters of an international organization.

It will be a challenge to the national motto "out of many one people" that we should be able to respond as a nation to the demands which will be required to accommodate peoples from all over the world who will assemble in Jamaica in connection with the establishment of the headquarters of the International Seabed Authority.

Of course, it has to be recognized that the [law of the Sea--FBIS] convention is still being negotiated and these negotiations are unlikely to be concluded during the present session. The implementation of the decision about the siting of the authority in Jamaica cannot be effected until negotiation of the convention has been concluded and the convention brought into force.

However, what today's decision means for us is that we must continue the physical preparations necessary in anticipation of the completion of the convention.

As minister of foreign affairs, it is with a special pride and with heartfelt thanks that I extend my personal congratulations to Dr Ken Rattray, members of the delegation to the conference, the staff of the ministry of foreign affairs and all others who have worked continuously over the years to bring the negotiations on the Seabed authority to this successful end.

#### Seabed Authority Site Obligations

FL271845 Bridgetown CANA in English 1657 GMT 27 Aug 81

[Text] Kingston, Jamaica, 27 Aug (CANA)--The Jamaica DAILY NEWS today warned that the decision to site the International Seabed Authority here imposed serious obligations on Jamaicans and hoped that trade unions would be able to impress their members that things like wildcat strikes in essential services will not do.

The authority will oversee the law of the sea convention.

Jamaica beat Malta and Fiji for the headquarters during a vote in Geneva last week.

In its editorial today, the daily news commended statements by local government Minister Pearnel Charles that he had ordered the pulling down of derelict buildings in Kingston and "debushing" empty lots as part of preparation for the authority.

There was enough time to beautify Kingston and develop the services necessary for the headquarters of an international organization, the paper said.

Added the DAILY NEWS: "And we would hope that trade unions will be able to get across to their members in essential services that wildcat strikes should be eschewed. Water, light, garbage collection should all function efficiently so that as a nation we do not blow this opportunity to impress the world."

CSO: 3025/1026

## GOVERNMENT SILENCE ON CUBAN REFUGEES CRITICIZED

FL262136 Bridgetown CANA in English 2056 GMT 26 Aug 81

[Text] Kingston, Jamaica, 26 Aug (CANA)--The Jamaica Daily News today rapped to government's silence on the presence of an estimated 400 Cuban refugees, and raised the prospect of thousands of them flooding the island similar to what happened last year when the Cuban Government opened the mariel floodgates on the United States.

The Cubans arrived in Jamaica over the past 3 weeks, hoping to go to Honduras to await entry into the United States, but have found difficulty gaining entry to either country. The Jamaica Government has so far not commented on the matter.

Said the Daily News in its editorial: "The issue has such fundamental implications for international politics, that it indicates more than a passing disregard for its ramifications for the foreign ministry and Jamaica House (the prime minister's office) to remain silent.

"We suspect that the silence is the result not so much of an inability or unwillingness to speak, but more so because new efforts have to be made to iron out what are obvious wrinkles which have developed. It appears that something has gone terribly wrong with the plan or whatever it was--to have the refugees pass through Jamaica to their destination."

The paper said that it was apparent that much planning had gone into the scheme, noting that the Jamaican Embassy would not take it lightly to issue visas in such volume and that this must have been done at the direction of Kingston. In addition, relatives of the Cubans in the United States had had ample time to deposit in local banks monies to finance the group while here.

Added the paper: "But it is hardly likely that the Jamaican Government would have permitted issuing visas to the Cubans in such quantities unless it was clear that they would come to Jamaica en route to their destination. Clearly, with the island's current social and economic problems, it is inconceivable that the government would have made this island the ultimate destination of the refugees, regardless how strong were the humanitarian and political motives [word indistinct] them to leave Cuba."

The Daily News said that the Jamaica Government must have consulted with Honduras and the United States "before the visas were issued, and the apparently elaborate arrangements made for the refugees to pass through here." The question now raised was whether the other countries had backed out at the last minute, it said.

But there was another more worrying aspect resting on the fact that the refugees were allowed to leave Cuba without any form of harrassment.

It said: "We recall the cynicism of Fidel Castro in dumping on the United States thousands of refugees through the mariel boatlift. If the Jamaica Government issues visas freely, there is every possibility that the Cuban Government will see this island as a dumping ground for those who cannot fit into Cuban society."

The Daily News said that there was a third aspect to the issue: the fact that Jamaica issued visas to whole families who wanted to leave and were allowed to do so by their government suggested collaboration at a very high level.

"If and when the government speak on the matter, it should say whether there has been collaboration with the Cuban Government in getting the refugees here," the Daily News said.

CSO: 3025/1026

## VISAS FOR CUBAN REFUGEES REPORTEDLY HALTED

FL272236 Bridgetown CANA in English 2210 GMT 27 Aug 81

[Text] Kingston, Jamaica, 27 Aug (CANA)--The Jamaican Embassy in Havana has suspended the granting of visas to Cuban refugees who have been coming here hoping to go to the United States via Honduras, informed sources said today. They could not say when the action was taken.

The Jamaican foreign ministry, which has not commented on the refugee issue, could not confirm or deny the report.

An estimated 400 Cubans arrived here during the first 3 weeks of this month, expecting visas from the Honduran consulate here for travel to the Central American country. The refugees had indicated that 100 more were to arrive here this week, but whether they have come has not been disclosed.

However, well-placed sources here suggest that it was a decision to curb the entry of the additional refugees, at this time, that prompted the halt in the granting of visas.

Only about 39 Cubans have so far received their "in transit" visas to Honduras, according to Honduran consul here. (Margarity de Parke). Mrs de Parke told the Caribbean news agency (CANA) that none of the Cubans had applied for their visas through the consulate here. She had received lists of names from Tegucigalpa, the Honduran capital, informing who should be granted visas. Some of the Cubans, she said, had turned up at the consulate expecting visas but so far their names have not been on any of the lists.

There are also cases where names have been sent by the Honduran Foreign Ministry, but the corresponding refugees had not yet claimed their visas, indicating that the Honduran Government expected more refugees to come to Kingston.

Some of the Cubans, who said they left of their own free will and without harassment, have applied to [the] U.S. Embassy here on their own accord, for entry to the United States.

An embassy spokesman said that they will be dealt with as ordinary applicants.

CSO: 3025/1026



## 'GLEANER' CALLS FOR RETRACTION FROM BISHOP

FL271855 Bridgetown CANA in English 1645 GMT 27 Aug 81

[Text] Kingston, Jamaica, 27 Aug (CANA)--The Jamaica GLEANER newspaper today said that it hoped Grenada's prime minister, Maurice Bishop, would retract "his unfortunate innuendos" and apologize for his conduct against Grenadian journalist Alister Hughes who was not allowed to leave Canada in July because his income tax position was being investigated.

The GLEANER last week reported that the Grenada Tax Department had told Mr Hughes that his income tax position was in order, said the GLEANER. "Now that the investigations have shown that Mr Hughes' position has been in order, we should hope that Mr Bishop, who spent so much time on his own media lambasting Mr Hughes and accusing him and others of subversion because they dared to publish an independent newspaper, the Grenada voice, will now retract his unfortunate unnuendos and apologize for his disgraceful conduct."

It said it hoped that the Grenadian prime minister would "begin to see the light and allow free and independent opinion" to be expressed in Grenada.

The "GLEANER" said that Caribbean Governments, except Barbados, had failed to speak out against the Grenada Government.

It said: "They include our own government, which on the question of human rights were so quick to speak out while in opposition and now appear to have gone silent, save on the question of South Africa and Namibia.

Mr Hughes was one of the owners of the Grenada VOICE newspaper which the People's Revolutionary Government (PRG) banned after one printing this year on the grounds that it had not complied with laws of the country. The government subsequently issued a proclamation forbidding new publications for a year until a media policy was worked out.

Mr Hughes, who is the executive secretary of the Caribbean Press Council (CPC), was leaving to attend a CPC meeting in Trinidad to discuss the issue when he was stopped at Grenada's Pearl Airport.

CSO: 3025/1026

## BRIEFS

NEW IMPORT MONITORING SYSTEM--Kingston, Jamaica, 18 Aug (CANA)--Jamaica has introduced a computerized system for monitoring the value of goods imported against import licenses issued by the trade administrator's department according to Industry and Commerce Minister Douglas Vaz. The new system will continually compare the importer's actual import performance against the licenses held and where he is unable to utilize those in his possession they will be reallocated to other importers. Minister Vaz said that it was the government's intention, while the country continued to have a foreign exchange shortage, to deploy resources in the most beneficial manner. [FL181938 Bridgetown CANA in English 1858 GMT 18 Aug 81]

BRITISH CREDIT TO JAMAICA--An 11 million dollars line of credit from a British bank supported by the British Exports Credit Guarantee Department has been made available to the Bank of Jamaica. To qualify under the terms of the loan, a contract must have a minimum value of 10,000 dollars but not more than 1 million. The funds will help finance contracts on retail raw materials and goods by Jamaican buyers. [FL211536 Kingston Domestic Service in English 1000 GMT 21 Aug 81]

JAMAICAN ALCOHOL-FUEL PROGRAM--A Brazilian engineer, Dr (Carlos de Ciela), is in Jamaica to assess the potential for developing a alcohol fuel program. He will be holding talks with government officials, representatives of the sugar industry and other interested groups representing feedstock, research, conversion technology for transportation and fuel endproducts. [FL211536 Kingston Domestic Service in English 1000 GMT 21 Aug 81]

PNP DENOUNCES NEUTRON BOMB--Kingston, Jamaica, 18 Aug (CANA)--The opposition People's National Party [PNP] has called on the Jamaica Government to voice concern--through appropriate diplomatic channels--about the U.S. decision to stockpile neutron bombs. The concern about the neutron bomb, which kills by radiation and does little damage to buildings, followed angry reaction from a number of leftist groups here. The PNP remarked in its statement: "Those who would threaten the peace and security of the world by escalating the arms race are the same ones who would want us to believe they have regard for our welfare and safety." The party called on U.S. President Ronald Reagan to revoke the order to produce "this inhuman weapon" and for the Jamaican Government to make its own concern known to the Americans. The PNP's youth arm has said that it is raising 10,000 signatures for a petition to be sent to President Reagan. [Text] [FL182126 Bridgetown CANA in English 2119 GMT 18 Aug 81]

## APRA SENATOR EXAMINES BUDGET DEFICIT, OFFERS SOLUTIONS

Lima LA PRENSA in Spanish 21 Jul 81 p 15

[Interview with Senator Luis Rodriguez Vildosola, a member of the Bicameral Budget Commission, date and place not given]

[Text] Senator Luis Rodriguez Vildosola is a member of the Bicameral Budget Commission. In this interview, he voices some views about the officially announced deficit of 400 billion and sets forth some guidelines which should be followed, in his view, to correct the problem. Rodriguez Vildosola, a member of the leadership of the Aprista Party of Peru, is regarded as the spokesman for the economic doctrine of that political group.

[Question] Senator, what can you tell us about the budget deficit?

[Answer] The president of the Central Reserve Bank of Peru, Richard Webb, and the minister of economy, finance and trade, Manuel Ulloa, confirmed in their statements to the Bicameral Budget Commission that the republican budget in effect will close with a deficit of 400 billion soles. It is estimated that this sum represents a fifth of the budget, and something over 6 percent of the gross national product. Some analysts believe that, including national defense expenditures, the budget deficit may come to 7 or 8 percent of the gross national product.

Webb expressed the view that this deficit is due to the budget expansions as a result of requests not included in the original budget and the increased indebtedness, inflation, and exchange rates as compared to those foreseen in the budget. On the other hand, the hasty approval of the budget in order to conform with the constitutional periods set by a democratic system recently initiated and attention to urgent public needs forced readjustments which require greater outlays than planned.

The budget deficit is the key factor in inflation. As a result the answer seems simple: reduction of public expenditure in order not to require recourse to the central bank to cover that deficit. An equation between the greater fiscal requirements and reduction in the public expenditures proves practically impossible. The government must, then, have recourse to pragmatic policies, adopting often bolder positions, which will necessarily affect some interests. And in any case, it must seek to ensure that these measures place as small a burden as possible on the vast masses of the people, who are suffering from the effects of galloping inflation, control of which cannot yet be glimpsed.

[Question] How would you combat inflation?

[Answer] Inflation is perhaps the most impressive phenomenon in the economy. When it develops, it spreads like a cancer to all economic activities. It can also be said that it is the worst of taxes because the people with lowest incomes suffer most acutely from it. Expression is seen in rising living costs and increasing prices.

Peru, as we know and feel, is passing through a phase of recession with inflation. Investments are not being made at the hoped-for rate and unemployment and underemployment are continuing, and in some areas, increasing.

As we have said, the most striking factor in inflation is the fiscal deficit caused by excessive public expenditure, which leads to inorganic currency issues. A balanced budget is the best tool for struggle against inflation. But we have already seen the difficulties involved in achieving a reduction in fiscal expenditures. In his report to the Bicameral Budget Commission, Webb said that the fiscal situation is "delicate and worrisome because of the high rate of the fiscal deficit."

The most common theoretical solution to the inflationary problem calls for creating an increase in production, giving priority to agriculture over other productive sectors.

One must take into account bold inflation and the increases in the prices of our export products as external causes of inflation.

The monetary program, which is constantly being reviewed to assess the results of its implementation, is an effective tool in this battle against inflation.

This program should respond to the need for a budget adapted to needs and the establishment of a level of liquid assets including international reserves and domestic credit in order to meet the requirements of the public and private sectors. Webb believes that a noninflationary rate of financing should be achieved.

[Question] What are your views about the international drop in the prices of metals?

[Answer] The drop in the prices of some traditional products on the international market is a factor having a negative effect on the Peruvian economy.

The most notable drop has been in the price of silver. An ounce of this metal sold for \$20 in 1980. Currently the price is slightly more than \$8, with a definite trend toward decline. Peru exported 40 million ounces of silver. As a result, the income for this category alone dropped by \$800 million in comparison to last year.

This phenomenon is due to the unexpected sale of large silver stocks accumulated by banks and other financial institutions. The reason for these sales may include the replacement of silver by other materials in certain industries, the revaluation of the dollar and the increase in silver production resulting from the high prices for this metal a year ago. The countries affected by this sharp decline in the prices for the "white metal" are mainly Mexico and Peru.



In our case, there will be a negative effect on our balance of payments since there was a smaller income in foreign exchange, and at the same time it will affect fiscal income because of smaller tax collections. To this decline in the prices of silver on the world market we must add a risk which seriously threatens our economy: the government of the United States has decided to sell 139.5 million ounces of its strategic reserves in 1982, 1983 and 1984 at the rate of 1 million ounces per week. As Minister of Energy and Mines Pedro Pablo Kuczynski Godard has said, the Latin American nations should protest this decision and urge its reconsideration. Otherwise, a large part of our mining sector might collapse, since the prices will not cover the production costs of the small mining operations. In view of this disturbing picture, our mining sector should receive support from the government. And as Minister Manuel Ulloa told the Bicameral Budget Commission, it has been decided to suspend the tax on sales and the granting of easy loans by the Mining Bank of Peru in accordance with the so-called mining acceptance procedure, through a financing line from the Central Reserve Bank of Peru.

Gold is now experiencing a decline similar to that for silver. At the beginning of 1980, an ounce of gold was sold at about \$900. Recently, operations have been concluded at less than \$40,000 [sic]. Until the 1930's, the established gold price was \$34 per troy ounce, and the Federal Reserve Bank of the United States was required to exchange gold for dollars at that price. But beginning in the 1970's, that government freed the price of gold to fluctuate in accordance with supply and demand. The high prices for the yellow metal, which reached their highest point in 1980, led to the upsurge in mining in Peru, mainly in the Madre de Dios. This massive mining involves a risk if the downward trend continues. Gold, as is known, is a value to which investors and speculators turn to protect themselves against inflation and the resulting monetary devaluation.

Other metals, including copper, are suffering a decline in their prices. The price of oil, too, has dropped slightly, and this has its effect on our reduced exports of 30,000 to 40,000 barrels per day.

Among the other nontraditional export products which are seeing a decline in their prices are coffee and cotton. Practically all categories of nontraditional exports reflect a decline in prices, which as we have said are reflected in the balance of payments and in fiscal income.

[Question] Senator, what can you tell us about the Tripartite Commission?

[Answer] The agreement between the producers is the tool for struggle against inflation. The National Tripartite Commission is seeking to serve as a tool for price agreement. It would seem that it has not achieved much, because prices have continued to rise due to inflation. In any case, the commission must be supported and the goals underlying its creation maintained. Its field of action can exceed that of price agreements and the foundations of an economic planning body could be established.

In 1930, Haya de la Torre formulated the idea of a national economic congress as a body for democratic planning, with representatives of the state, labor and capital.

The seriousness of the economic situation in the country makes a joint effort in search of solutions necessary. Democratic stability may be in danger if the rate of the inflationary process is not resolved or decreased.

The impoverishment of the masses is an explosive factor. Therefore, any economic policy or measure adopted must seek to achieve a low social cost, such that political stability will not be threatened.



## COMMUNIST PARTY LEADERS CRITICIZE ADMINISTRATION'S FIRST YEAR

Lima EL COMERCIO in Spanish 23 Jul 81 P A-4

[Interview with Senator Jorge del Prado, secretary general of the orthodox Peruvian Communist Party--majority faction (PCP-M) and deputy Manuel Dammert, secretary general of the Revolutionary-Workers Class Communist Party (PCR-CO), date and place not given]

[Text] (Editor's Note) These are the opinions of Senator Jorge del Prado, secretary general of the orthodox Peruvian Communist Party and deputy Manuel Dammert, secretary general of the Revolutionary-Workers Class Communist Party, on the first year of President Fernando Belaunde's administration. Both political groups (the Soviet-oriented PCP and the PCR-CO, which follows the Mariategui-Mao line) belong to the United Left bloc. Below are summaries of the statements made by both leaders, who express their views about what is happening and what they believe should be done in Peru.

Jorge del Prado

[Question] Practically a year has passed since the reestablishment of the democratic regime. How would you summarize the work achieved during this period?

Jorge del Prado: In connection with the national and popular interests, the achievement on balance is totally negative. In this first period of the second Belaunde government, a regressive process has developed--more rapidly than expected--toward the conversion of the constitutional government elected in accordance with the postulates of so-called representative democracy (or bourgeois democracy) into a virtual civilian-military dictatorship, both in essence and in form, nationally and socially.

The character of a government is basically determined by its economic policy. The majority of the voters--men and women of the people--who voted for Belaunde as a presidential candidate last year believed in good faith that his government would substantively modify the "monetary fund" policy of the Morales Bermudez regime, thus putting a halt both to the constant increases in living costs and to the repression of the workers and the people in which that government engaged, in order to silence and shackle the most combative manifestations of the popular rejection of that policy. Today those who so hoped have been deceived. The Action-PPC

[Popular Christian Party] government has not only continued but has pursued to an extreme this policy to the benefit of the international enterprises and to the detriment not only of the workers and other more needy social strata, but also the middle strata and the Peruvian industrialists who are competing in some form with the international interests. And it is because of this that the government has not modified the antidemocratic and repressive campaign of its predecessor either, above all where constitutional rights and the social gains of the workers are concerned. To date, the trade union leaders and activists massively dismissed in 1977 for their participation in the strikes in protests against rising living costs have not yet been reinstated. And in order to be able to continue to throw new contingents of workers into the streets for the same reasons, decree law 22126 on labor dismissals remains in effect, while the threat of the elimination of the right to strike looms. On the basis of the same policy, the current government is moving forward even more rapidly than its predecessor in the process of returning state enterprises responsible for utilizing basic resources to the benefit of the country to the private sector. Parallel with this, plans call for favoring the imperialist greed of the international companies as well, with proposals for the modification of the Andean Pact, where the treatment of foreign capital is concerned. And if all of this shows that in comparison to the military dictatorship of Morales Bermudez, the sold-out and antipopular nature of the regime has not changed one whit, we can say something comparable about its formal aspect. In unjustifiable and seemingly inexplicable fashion, the current government is maintaining the so-called National Mobilization Law promulgated by Morales Bermudez a few days before the government transfer, by way of a repressive reserve and a promise of joint government with the rightist sector of the armed forces. But in addition, and as the most obvious manifestation of this dictatorial trend, the government parliamentary majority this year has delegated virtually all its legislative authority to the executive branch, with the granting of "special authority" to the government, on the basis of which the government has boldly bypassed the parliament, both in terms of the number of legislative decrees and their content.

[Question] Is it not an exaggeration to state that this government, elected by a majority of the popular vote, is becoming a civilian-military dictatorship, if one bears in mind what dictatorships have meant to the country?

Jorge del Prado: I do not say that it already is a civilian-military dictatorship, but that it is moving toward becoming one. And an analysis of its form and content bears this out. Its content shows that it is not a government which responds to the interests of the people, but those of the minority, as dictatorships do. The military and civilian dictatorships we have had have served the interests of minorities, not the interests of the vast masses nor the country as such either. On the formal level there is a concrete fact: the parliament, the essential institution in a formal democracy, is being bypassed to place all the power in the hands of the executive branch, so that it can issue legislative decrees which constitutionally only the legislature can do.

[Question] Senator del Prado, how do you explain your disdain for what you call "bourgeois democracy" and your participation and that of your party in this regime?

Jorge del Prado: If bourgeois democracy were respected, it would in any case be a step forward from bourgeois or reactionary dictatorships, because it would allow an opportunity to defend the rights which are truly of interest to the Peruvian people and which cannot be neglected, such as the right to elect, the right to free

expression, to popular and political organization, etc. These are facets which we defend. But we speak of formal democracy because of the fact that this democracy is not profoundly based when it comes to the material and cultural interests of the people. In order to be a true democracy it would have not only to respect the democratic rights formally recognized in the constitution, but at the same time, would have to work toward eliminating social inequalities.

[Question] Faced with the picture you outlined in response to the first question, what, specifically, does the PCP-U propose?

Jorge del Prado: The current economic policy must be substantially modified to one designed to improve the material and cultural conditions of life for the people increasingly, to defend national sovereignty and the independent future of the country. The government should also execute the mandate of the people who elected it to respect and implement the constitution of the state, guaranteeing the exercise of democratic freedoms. As a result, the law granting extraordinary authority, as well as the legislative decrees based thereon, first and foremost legislative decree 046, should be revoked. On the other hand, the platform of economic, social and political alternatives submitted by the IU [United Left] to President Fernando Belaunde should be fully respected.

Manuel Dammert

[Question] From the perspective of the PCR-CO, how do you evaluate President Belaunde's governmental administration?

Manuel Dammert: The government has failed to keep the promises it made. In support of this judgment, I would mention three central elements: it promised that inflation would be 40 percent last year. It is now July and official sources themselves estimate that the rate of inflation will reach 80 percent. It announced that it would reduce unemployment and that it would create a million jobs in two years, which would mean the creation of 500,000 jobs during this fiscal period. However, a year has passed and the unemployment and underemployment structure remains and is tending to become more acute because of the new generations of workers being added and the industrial problems resulting from the recession. It proposed to improve the food conditions for the people, but we have seen, however, how bread has gone up from 3.50 to 10 soles and with the elimination of subsidies, the prices of all products have gone up.

It should also be noted that the gasoline increase is not necessary, because it has inflationary effects and leads to an increase for foodstuffs and transportation expenditures for the population. I believe that instead of imposing another tax on the people, there are other ways of providing PETROPERU [State Petroleum Agency] with resources. One would be the following. Now, by virtue of the contracts with oil companies functioning in the country, particularly Occidental and Belco, the state can purchase a given percentage of the production. It does not purchase this percentage as a function of domestic cost, but rather international cost, at a price established politically by the governments of oil producing countries. The average oil production cost in 1978, for example, was \$6. In other words, they were profiting by \$6. At present we believe that a domestic price of \$6 approximately should be established, representing a third of what the contracting enterprises are given. If the Peruvian government could persuade those countries to

sell us their oil at the price mentioned (\$6), it would be saving about \$100 million which would be allocated to PETROPERU. Thus, then, it would be unnecessary to increase the gasoline price and the cost of living of Peruvians would not be affected.

On the other hand, we note that the government is now beginning to keep its promises to the forces it represents, because it has succeeded in acquiring for itself three major tools: the financial support of the World Bank, the massive presence, with impunity in practice, of foreign enterprises in the country, particularly oil and mining companies, and the state apparatus has been reorganized, shifting it in practice into a civilian dictatorship in the hands of the president and the council of ministers.

[Question] Within this presumed framework, what alternatives do you propose to deal with the problems noted? Or is agitation the only recourse?

Manuel Dammert: During the discussion with President Belaunde, we presented him with a document called "Propositions for Peru" which contains specific proposals. With regard to food supplies, we noted the need for a 4 percent increase in the tax which would be allocated to the Food Compensation Fund, so that the resources would serve to subsidize milk, bread and oil, among other food products. On the subject of unemployment and underemployment, we explained that one of the main sources of work is agriculture, but the peasants are not being given cheap credit. Instead, they must pay interest rates which do not make any farm crop profitable, nor is credit allocated at the proper time. When there were droughts, the debts of the peasants were not forgiven, and when there was rain enough, timely credit was not allocated. We propose that the rural sector be given incentive and subsidized credit, particularly the small and average farmers, the peasant settlements and farm cooperatives, with a view to encouraging agricultural production. Also, we suggest the development of infrastructure projects in various sectors to absorb manpower.

To summarize, the fundamental basis for the development of Peru is agriculture and it must be encouraged. The oil and copper should be used to obtain the necessary foreign exchange, but on a reasonable basis and in accordance with our own interests, not those of the world market. Parallel with this, an active process of industrialization should be promoted on the basis of our own supplies and raw materials which we have in the country and the markets we can create.

[Question] There has been criticism of the United Left from the Trotskyite sector because it participated in a dialogue urged by President Fernando Belaunde. What do you think about this position?

Manuel Dammert: The Trotskyite sectors are a minority trend of opinion in Peru. However, the vast majority of the workers and the people as a whole have regarded the attitude of the IU as very positive. To Belaunde's proposal that agreement be reached on housing, the IU answered that no social pact or agreement between the government and the opposition is possible, because the government represents the forces which are doing serious harm to the country and its democracy, but that we agreed that dialogue was feasible. At that meeting on 1 July, we made a counter-proposal to the government, involving points concerning the popular welfare, democracy and national sovereignty. The government has not yet given an overall response and we are expecting its answer during the second round of talks.



## PETROPERU ESTIMATED DEFICIT REACHES 35 BILLION SOLES

Lima LA PRENSA in Spanish 18 Jul 81 p 4

[Text] The expenditures from the budget of the republic for this year are estimated at 2.15 trillion soles, while income will total only approximately 1.8 trillion soles.

This will mean a budget disparity for this year of 400 billion soles, 20 percent more than the initially estimated figure, populist Daniel Linares Bazan announced yesterday in his capacity as member of the Bicameral Budget Commission and the Permanent Congressional Commission.

Offering supporting figures during the session the budget commission held with Prime Minister and Minister of Economy and Finance Manuel Ulloa Elias, Deputy Linares Bazan said that this deficit was calculated as of 31 December of this year based on 30 June data.

A half of this budget deficit, he noted, reflects fiscal expenditures, and the other half reflects the respective deficits of various state enterprises.

Among these deficit enterprises he mentioned PETROPERU [State Petroleum Agency], which has a deficit of approximately 35 billion soles, the ECASA, with a deficit of some 70 billion soles, the ENCI [National Enterprise for Industrial Marketing], with a 60 billion soles deficit, and SIDERPERU [Peruvian State Iron and Steel Enterprise], with a deficit of some 10 billion soles, among other state enterprises.

## Manageable Deficit

In the opinion of this populist deputy, the present deficit is "manageable," because thanks to the corrective steps which are already being taken, it will be prevented from being any larger.

The deficit is manageable because it is hoped that copper, as a strategic measure, will see a price recovery before the end of the year; an increase in oil production is expected; adequate control and rationalization of public expenditure will be carried out; and there will be a future increase in the prices of some subsidized articles.

Among other measures, the government has changed the administrative structure of the state enterprises, which as corporations will be able to function more flexibly in order to compete with other private enterprises.

Finally, he said, control of public expenditures in no way means that plant projects will have to be halted. He gave assurance that the state investments in the projects with greatest priority will continue to develop.



## NEW LAW BARS MILITARY AS INTELLIGENCE CHIEF

PY241736 Tacna Radio Tacna in Spanish 1200 GMT 24 Aug 81

[Text] A law recently approved by the Peruvian Congress that introduces radical changes in the leadership of the National Intelligence Service is already on the desk of President Belaunde for promulgation. Thus far, the chief of the National Intelligence Service has been an officer of the armed forces on active duty, namely Brig Gen (Guzman Echenbauer).

The new law bars armed forces officers on active duty from being eligible for the above position by establishing that the requirements for becoming chief of the National Intelligence Service are the same as those for becoming a senator, one of the requirements being that of having the right to vote. Since the officers of the armed forces cannot vote, no officer on active duty of the navy, the air force or the army can be appointed as chief of the National Intelligence Service.

The above law was proposed by Popular Action Senator Javier Alva Orlandini, who is now president of the Senate. The draft law was quickly approved by both the Senate and the Chamber of Deputies. The concealed objective behind Alva Orlandini's proposal apparently passed unnoticed by everyone, that is, the objective of barring officers on active duty of the armed forces from assuming the above high national defense post.

Yet the military commanders were not unaware of the above objective. It has been reported that the above law has elicited great uneasiness and widespread protest in military circles. Belaunde has already received the text of the law for promulgation. The legal deadline for the promulgation of the above law expires next week.

CSO: 3010/1747

## STRIKE SITUATION REVIEWED BY 'AFP'

PY241752 Paris AFP in Spanish 2019 GMT 22 Aug 81

[Text] Lima, 22 Aug (AFP)--The negotiations between the Health Ministry and the Peruvian Medical Association, which has been on strike for 16 days, have bogged down, while the negotiations between the banks and their employees, who lifted their strike temporarily on Friday, are progressing very slowly.

Meanwhile, the strike of the 7,000 copper workers in the south of the country and of the 4,000 workers of the state's mining complex, CENTROMIN [Central Peruvian Mining Enterprise], continue without any change. At the same time, pharmaceutical employees and the workers of the electricity sector have announced that they will go on strike next week for an indefinite period of time.

The Medical Federation, which has 13,000 members, rejected an offer regarding salary increases made by the health minister, Uriel Garcia, and submitted a counter proposal, which was not accepted by the government.

Regarding the 27,000 bank employees, who went on strike from Monday to Thursday of last week, they rejected a salary readjustment of 25,000 soles (\$57) because it was too low. They are demanding a 90,000 sol (\$105) salary increase.

On its part, the Pharmaceutical Association has indicated that it will begin an indefinite strike on Wednesday. They are demanding salary readjustments and threaten to close down pharmacies, although the owners say that they will remain open.

And thus, the 10,000 ELECTROPERU [Peruvian State Electric Power Enterprise], that operates in the interior of the country, workers have announced that they will go on strike on Tuesday demanding salary readjustments and as a protest against the high salaries of the enterprise's managers.

CSO: 3010/1747

## BRIEFS

POLICE OFFICIAL'S HOUSE DYNAMITED--Arequipa--A dynamite attack was perpetrated last night against the house of Maj (Juan Goitendia Parpang), chief of the homicide squad of the Peruvian Investigative Police (PIP). The regional police chief was at the scene of the attack, but noted that this does not mean that the local police will diminish their efforts in their struggle against terrorists. [Excerpts] [PY281530 Lima Radio Union in Spanish 1130 GMT 28 Aug 81]

TERRORISTS ATTACK SOUTHERN PERU OFFICE--Tacna, 27 Aug (TELAM)--A powerful charge of dynamite, thrown by terrorists, destroyed the main door of the U.S. enterprise Southern Peru Copper Corporation in this city, located 1,200 km south of Lima. The attack is the 13th occurring in Tacna and the 2d against the offices of Southern. Meanwhile, the 10-day strike of Southern workers in Toquepala and Cuajone mines and at the Ilo refinery has caused losses estimated at \$10 million. [Text] [PY272338 Buenos Aires TELAM in Spanish 1620 GMT 27 Aug 81]

BOMB EXPLOSION AT FOREIGN MINISTRY PREVENTED--Lima, 26 Aug (AFP)--An explosive device was placed at the door of the Torre Tagle place, seat of the Peruvian Foreign Ministry, but timely police action prevented casualties or damages. Initial reports indicated that the device, made up of dynamite sticks, was supposed to cause a chain explosion, but the police had been alerted and activated the first detonator to prevent the others from doing the same. [As received] [Text] [PY261656 Paris AFP in Spanish 1637 GMT 26 Aug 81]

ENTELPERU WORKERS' STRIKE--Workers of the National Telecommunications Enterprise of Peru [ENTELPERU] today at 0000 went on a 24-hour strike to demand a wage increase. The workers, who have requested an increase of 90,000 soles monthly, rejected ENTELPERU's offer to grant a 30,000 soles increase. The strike will affect long distance, telex and telegram services and so forth, but will not affect local telephone services. Two thousand ENTELPERU workers have gone on strike throughout the nation as of 0000 today. [Text] [PY251533 Tacna Radio Tacna in Spanish 1200 GMT 25 Aug 81]

POPULAR ACTION MEMBERS' HOMES BOMBED--Reports from Cusco indicate that two terrorist attacks were perpetrated yesterday morning. The attacks damaged the residences of Popular Action Party Deputy (Rodolfo Camallosa Loanca) and of the departmental secretary of the same party (Jose Palomino Mora). The explosive devices used for both attacks exploded simultaneously at 0525 and alarmed the neighborhood. Deputy (Camallosa)'s residence is located in the traditional San Blas neighborhood. There

the explosion destroyed a window and shattered the glass of the windows of most houses in the same bloc. The only person present in the house was the deputy's wife, (Gloria de Camalloa) who experienced a strong shock. The other explosion took place on Simon Bolvar Street of the (Pio) housing development. There the bomb destroyed a door and shattered the glass of the windows. (Palomino) stated that these despicable actions lead nowhere within the framework of democracy. [Text] [PY211351 Lima Radio Union in Spanish 1130 GMT 21 Aug 81]

TERRORISTS ATTACK IN HUANTA--Another terrorist attack was perpetrated early on Sunday in Huanta causing alarm among the people [words indistinct]. This time the target of the terrorists was a fuel warehouse located in the downtown area of the city where more than 2,000 gallons of gasoline are stored. The terrorists attempted to cause a huge fire by planting a dynamite charge near the main tank. Fortunately, civil guardsmen promptly brought the fire under control while another group of policemen unsuccessfully raided the outskirts of the city. Thus Huanta continues to be the target of the destructive action of terrorists, who had earlier blown up municipal facilities and the local food market. [Text] [PY251813 Lima Radio Union in Spanish 1130 GMT 25 Aug 81]

AIR FORCE COMMANDER VISITS USSR, ISRAEL--Lima, 22 Aug (AFP)--The commander in chief of the Peruvian Air Force [FAP], Gen Hernan Boloarte, today travelled to the Soviet Union and Israel for an on-the-scene study of the aeronautical technological development of both countries. Boloarte, who is accompanied by five high-ranking officers of the FAP, will have a full program of activities, and in Moscow he will try to crystalize the transference of Soviet technology on aeronautical matters to Peru, but no specifics were given in that respect. Similarly, in Tel Aviv he will visit industrial centers of the sector in order to check out the latest Israeli advances. Meanwhile, a high official of the Soviet Embassy in Lima indicated that the negotiations between the two countries will take place in an atmosphere of understanding, friendship and mutual cooperation which characterizes their relations. [Text] [PY241214 Paris AFP in Spanish 2054 GMT 22 Aug 81]

CSO: 3010/1747

## BRIEFS

BRITISH AID TO ST LUCIA--Castries, St Lucia, 24 Aug (CANA)--Britain is to make 5 million East Caribbean dollars (one EC dollar--37 cents U.S.) available to St Lucia for development projects over the next year, Keith Woolverton, head of the British Development Division in the Caribbean, said today at the end of an official visit here. Woolverton said some of the money would go to increase coconut production. There was also the possibility of aid for developing less traditional crops or the expansion of others, such as cocoa, mangoes and avocados, which could fetch good prices on the European markets, he said. The money was also earmarked for the development of a proper water system for St Lucia, low cost housing schemes and a new primary school. [Text] [Bridgetown CANA in English 2050 GMT 24 Aug 81 FL]

CSO: 3025/1026



## UNITED PEOPLES MOVEMENT HOLDS FIRST CONGRESS

FL242317 Bridgetown CANA in English 2303 GMT 24 Aug 81

[Text] Kingstown, St Vincent, 24 Aug (CANA)--General Secretary of the small left-wing United People's Movement (UPM), Renwick Rose, has charged that a serious political crisis is developing in St Vincent.

Addressing delegates at the first congress of the movement since its inception 2 years ago, he said that it was a popularly-held view that the ruling administration of Prime Minister Cato was incapable of further democratic rule and was now "resorting to dictatorial measures and tactics."

"Less than 2 years after its seemingly overwhelming election victory of December 1979 opposition to the CATO administration is in the majority," Rose said.

"How could a government elected with 11 of the 13 parliamentary seats so rapidly lose its support," the general secretary questioned.

He said that "if we are to correctly characterize the present political situation and plot the way forward for our party and country, we must examine the decline in popularity of the S.V.L.P. [St Vincent Labor Party] government and point to the alternative to its decadent rule."

The congress, which concluded yesterday, unanimously elected former lecturer in government at the University of the West Indies (U.W.I.) Cave Hill Campus, Dr Ralph Gonsalves as political leader.

The movement posthumously honored five patriots for their "valiant contributions" to the Vincentian Society: Carib Chief Chatoyer, Capt Hugh Mulzac, Samuel "Sheriff" Lewis, George McIntosh and Dr Ronnie Saunders.

The UPM reiterated its call for 21 October to be celebrated as "National Day" to honor "these great fighters."

CSO: 3025/1026

## BRIEFS

OPEC FUND LOAN--Kingstown, St Vincent, 28 Aug (CANA)--St Vincent and the Grenadines is to benefit from a million dollar U.S. loan from the OPEC fund for international development, it has been announced here. According to an official release, the loan agreement was signed at the OPEC's fund headquarters in Vienna yesterday by St Vincent's high commissioner to London Dr Claudius Thomas and the fund's director-general Dr Ibrahim Shibata. The loan is to be used for the importation of capital goods, spare parts and inputs required for agricultural and other essential consumer goods, the release said. The loan, which is interest-free and carries a service charge, is the first from OPEC to be extended to this Caribbean Island. St Vincent brings to 77 the number of developing countries which have so far benefited from the special development fund set up by the huge Middle East oil cartel. [Text] [FL281528 Bridgetown CANA in English 1518 GMT 28 Aug 81]

CONCERN WITH REAGAN POLICIES--Kingstown, St Vincent, 19 Aug (CANA)--The Leftist United People's Movement (UPM) has strongly condemned the Reagan Administration for what it referred to as "moves designed to escalate the arms race and increase tension in the region." The movement's secretary for international affairs, Barrister Adrian Saunders, said that "since being installed into office, the Reagan Administration has been seeking to revive the cold war and now it is even threatening to launch a nuclear war." Saunders said it was his party's view that the Caribbean must remain a zone of peace. "The U.S. Government must be given a stern warning by CARICOM countries to desist from interfering into the internal affairs of our Caribbean states." On the question of U.S. military maneuvers off Puerto Rico, allegedly aimed at training participants for a possible invasion of Grenada, he pointed out that "this ought to be of grave concern to all governments and the peoples of the region, irrespective of ideology or political alignment." [Text] [FL191540 Bridgetown CANA in English 1507 GMT 19 Aug 81]

CSO: 3025/1026

## BRIEFS

COMMUNISTS OPPOSE PRODUCTION CUTBACK--Paramaribo, Suriname, 21 Aug (CANA)--The privately-owned Suriname Aluminum Company (SURALCO) has blamed a glut on the international market and problems with energy here for its cutback in production this year. The explanation was contained in a statement which SURALCO, a local subsidiary of ALCOA in the United States, sent to a trade union representing its employees. The company said it had decided to reduce its planned Bauxite production by 26 percent, aluminum by 17 percent and alumina by 13 percent. The production drop was criticized by the Communist Party, which said it was being used to reverse rights acquired by the nation, and in particular those of the workers. "The second stick behind the door is the transferring and dismissal of workers," the party claimed. "Already, 500 workers from the production department are being transferred to the construction department. As a result, a similar number of casual workers have been laid off. [FL211945 Bridgetown CANA in English 1852 GMT 21 Aug 81]

CSO: 3025/1026

MINISTER ON PLANNED RELATIONS WITH CARIBBEAN

FL271355 Nassau TRIBUNE in English 21 Aug 81 p 1

[Text] Plymouth, Montserrat (CANA)--Stafford Missick, minister of trade, development and agriculture in the Turks and Caicos Islands, has said here that his country is committed to the development of closer ties with the Eastern Caribbean.

The minister, who is now on an official visit here, told newsmen that there were many areas in which his country could benefit through close cooperation with the Eastern Caribbean.

Noting that the Turks and Caicos Government felt that it could draw from the expertise of many of the region's institutions, Mr Missick said that in fact discussions have begun with the university of the West Indies as well as the Barbados and Antigua governments.

He disclosed that his government was seeking training in Barbados for Turks and Caicos' policemen and agricultural assistance in the case of Antigua.

Mr Missick attributed the interest of the Turks and Caicos Islands in regional activity to the election of a new government there.

"We have a different team with a new outlook, and it is this group which is now formulating a new policy," he declared.

When questioned about independence for the islands, the minister said it was not a priority for the new administration at the moment.

At present, the Turks and Caicos Government has set as its development priorities--tourism, agriculture, fisheries, light industries and tax haven facilities, he disclosed.

"We so far have had quite considerable success in attracting interested parties, he said."

CSO: 3025/1026

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